



Daily Report

Latin America

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16 June 1992

Daily Report

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16 June 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS CONCERNING EARTH SUMMIT: Reportage on the UN Conference on Environment and Development in Rio de Janeiro will be published in special Latin America DAILY REPORT supplements.

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Mexico

NOTIMEX reports that the Mexican Foreign Secretariat has issued a communique on 15 June which states Mexico will consider "a 'criminal act' any attempt to kidnap a Mexican national for trial in another country and banned the activities of U.S. DEA agents in its territory." The government considers the U.S. Supreme Court ruling that it may ignore extradition treaties "invalid and unacceptable" and says the "U.S. court's ruling 'violates basic principles of international law.' It also 'overlooks the use of extradition treaties as the sole, recognized, legitimate and legal means to arrest a person in a sovereign state, and transfer him to another state afterward.'"

Panama

EL PANAMA AMERICA reports Comptroller General Ruben Dario Carles "refuted on 14 June the reports stating that Panama has squandered the aid granted by the United States." He said, "Everything quoted by THE WASHINGTON POST is untrue." "The newspaper's interpretation of a General Accounting Office report is a 'campaign strategy' against President Bush."

Colombia

Santa Fe de Bogota TV reports that the "Chamber of Representatives has approved a tax increase," adding that "the most difficult tax approved is an increase to the value-added tax," which will "now be applicable to everything except food." The Chamber has also approved "a heavy increase in income taxes," which is "now set at 37.5 percent and will only affect those persons or enterprises having revenues above" 310,000 pesos.

Costa Rican, Mexican Leaders Discuss Cooperation

PA1106223492 San Jose Radio Reloj in Spanish
0100 GMT 11 Jun 92

[Text] Costa Rican President Rafael Angel Calderon Fournier and Mexican President Carlos Salinas de Gortari have analyzed economic and social issues of Central America, Latin America as a whole, and the current world situation. During the working session, they discussed the importance of the liberalization of world trade and issued a call to GATT members to successfully conclude the Uruguay round of talks. In that regard, they stressed the importance of the world banana market for the Central American producer nations and the negative ramifications that the measures announced by the EEC might have on Central America.

A financial cooperation agreement was signed during the talks by the Mexican and Costa Rican presidents. According to the agreement, the Mexican Foreign Trade Bank will grant \$100 million for the promotion of development programs and projects. Those funds, which will be channeled through the Central American Bank of Economic Integration, will permit the promotion of investments and the participation of companies to provide engineering and consultation services for the implementation of development projects and feasibility studies. A line of credit will also be established for the development of electric power production and telecommunication projects in which private companies of the two countries will participate jointly. It was established that the line of credit will go into effect within 60 days.

Through a cooperation agreement on export possibilities, studies will be undertaken on the possibilities for investments and on Costa Rica's export potential in specific areas. At the same time, it was decided that negotiations will continue for the signing of a free trade treaty between Mexico and Costa Rica. The two countries are willing to continue negotiations to sign the treaty before the end of the year. Through the treaty, the Costa Rican exporters will have access to the Mexican market. That will open great opportunities for a large number of Costa Rican products.

Mexico also pledged to expand cooperation in various fields in 1992 and 1993. Those fields include agriculture, urban development, tourism, fishing, and conservation of water resources.

The Mexican and Costa Rican technical teams negotiating the free trade treaty delivered to the presidents a report on the progress in the talks to sign the treaty before the end of the year. Foreign Trade Minister Roberto Rojas said the presidents reiterated their personal interest in reaching agreement on the treaty as soon as possible. Therefore, the negotiations will continue. Rojas said that no date can yet be announced because it depends on the treaty negotiation process, but the two presidents have the political will to sign the treaty.

Costa Rican President Rafael Angel Calderon Fournier described the results of Mexican President Carlos Salinas de Gortari's visit as very positive in the political, economic, and social spheres. Regarding trade, Calderon Fournier said a clear political desire to sign a free trade treaty was expressed. He said much progress has been achieved, and 81 out of 97 sections on matters dealing with the origin of products have been resolved. Just a few issues still need to be resolved regarding the list of tariffs and their reduction.

President Calderon said that in the area of tariff reduction, the Mexican Government has agreed to help Costa Rica by applying an immediate reduction in a long list of products. Costa Rica will apply the reduction gradually. It has been decided that Costa Rica will implement its tariff reduction over eight years. The products to be included will be decided according to the best interests of Costa Rica's productive sector. Calderon Fournier said the measure will benefit the country because it will allow industrial reorganization as a preparation to efficiently enter the Mexican market prepared for the competition. As a bigger country, Mexico will give Costa Rica preferential treatment in the area of tariff reduction. For that reason, Costa Rica's list of products will be smaller, President Calderon said. The definitive list will be negotiated in the next few months.

No date has been set for the signing of the free trade treaty. The signing will be held either in Mexico City or in Mexico's southern region. Calderon Fournier said that President Salinas de Gortari's visit has contributed to the signing of a free trade treaty that will unquestionably benefit Costa Rica.

Andean Group Meets To Further Integration

PA1606042692 Quito Voz de los Andes
in Spanish 2300 GMT 15 Jun 92

[Report by Edwin Chamorro]

[Text] Ministers of the Cartagena Agreement Board [Junac] member countries—Venezuela, Colombia, Ecuador, Peru, and Bolivia—met at 1700 on 15 June at a local hotel. Before the meeting, Junac Coordinator Jose Rafael Serrano made the following statements.

[Begin recording] [Serrano] I feel very positive. The climate is highly favorable to a discussion of pending topics related to integration, which is entering a truly significant phase. The idea is to create the first free trade zone in Latin America and a unified customs system. For that reason, the topics to be discussed, namely, the common external tariffs and export incentives, are truly important for the Andean integration process to enter a new phase.

[Unidentified reporter] What would happen if no decision were made now?

[Serrano] I feel the climate exists to make important or significant decisions. That is how I feel.

[Reporter] [Word indistinct] Ecuador is asking for?
What will the situation be like [words indistinct]?

[Serrano] I also feel a highly favorable climate exists
here.

[Reporter] What will happen in this meeting if [words
indistinct] the agreement? What will happen later?

[Serrano] Once we resolve the pending aspects, the lifting
of tariffs at the Andean level would be fully implemented
in the five countries, as would the external common
tariff.

[Reporter] What about customs unity?

[Serrano] [Words indistinct] [end recording]

Cuba

Article Discusses Modifications to Constitution

FL1506172692 Havana Radio Rebelde Network
in Spanish 1155 GMT 15 Jun 92

[Article by Jorge Luis Canela from 15 June TRABAJADORES: "Modifications to the Constitution: A Reaffirmation of Principles and Democratic Improvement"]

[Text] In July, the National Assembly of the People's Government [ANPP] will discuss a number of modifications to the text of our Constitution. No one is unaware of the importance a constitution has for a nation, and, therefore, the great responsibility entailed in deciding to make the slightest change to it. These are, in essence, indispensable corrections aimed at improving Cuban society and our democracy, corrections that take into account the new realities in both Cuba and the world following the disappearance of socialism in the former Soviet Union and East Europe.

The proposals are the result of the meticulous work of two commissions: one commission of deputies and one of Central Committee members. Both took into account the decisions of the Fourth Congress of the Communist Party of Cuba [PCC] and the suggestions and views expressed by the population during the discussions of the congress agenda. This was a process in which, as you will recall, millions of citizens participated. Highly qualified jurists and provincial and municipal people's government leaders were members of the commissions or were consulted by them.

The above gives an idea of the rigorousness and seriousness with which this work was done. Nevertheless, this work was limited to what was indispensable and did not try to include changes of greater scope or depth. All the proposals lie within the powers that the law and the Constitution itself confer upon the ANPP, and of course they are not what the enemies of socialism would like to see. This document, which we have modified in order to make it better, continues to proclaim communism as our historic objective; the Marxist-Leninist-Martian party as the sole party, as it is the expression of the unity of the Cuban nation; and the working people as the force from which all powers stem, in a real way.

Contrary to what certain dreamers, alienated persons, sell-outs, and dithery types would like to see, there is no retreat in these decisions. Rather, there is reaffirmation of principles. We take into account only our own needs and sovereign will, with the deep conviction that we can always improve our own work. We will thus reaffirm, in the Republic's fundamental law, the foundations of a system of which we are proud because it is based on support from a majority of the masses and on the population's participation in the government's actions.

What subjects do the Constitution's new formulations refer to? First of all, untimely references to the former USSR and what used to be the socialist community have

been removed. Also, in keeping with the changes that have occurred in the world, the foreign policy of the Cuban State is honed, and Cuba's desire for integration and cooperation with the countries of Latin America and the Caribbean is highlighted with greater emphasis. The decision to adapt our economy to the new conditions and to assimilate foreign capital—within a socialist perspective and in accordance with economic and social aims that are to the benefit of the population—is given constitutional guarantees.

The secular nature of the state is clearly reaffirmed, and discrimination because of religious beliefs is prohibited and sanctioned. The authority and powers of the provincial and municipal assemblies of the people's government are increased, and the mechanisms to allow these assemblies to carry out their governing functions and increase their decisionmaking ability are facilitated. The constitutional foundations are laid for the new electoral law, which the ANPP is to discuss and approve at the proper time and which will express the line set forth by the PCC Congress regarding the election of deputies and provincial delegates through the direct and secret vote of the population. Finally, in keeping with the military doctrine of the entire people's war, reference is made to the national, provincial, and municipal defense councils and the defense zones, and to their power to lead under wartime conditions or during a state of emergency.

As can be seen, in drawing up this draft there has been neither improvisation nor superficiality nor disregard of current realities. The fatherland is today going through an exceptional situation that has not been overlooked either in the essence of the modifications or in the proposals and which will not be overlooked later, either, when we put into practice whatever decisions the ANPP might adopt. We will expand and enrich the masses' participation and the democratic essence of our government practices. Above all else, we will preserve, employing all means at our disposal—and the Constitution is one of these means—the achievements of socialism in our fatherland. These proposals for modifications to the Constitution express the maturity of our government, the firmness of our principles, and the desire of the nation's leadership to accentuate and improve the popular and democratic nature of the state institutions.

Palestinian Foreign Minister Meets Malmierca

FL1606005792 Havana Cuba Vision Network
in Spanish 2220 GMT 15 Jun 92

[Text] Palestinian foreign minister Mr. Faruq Qaddumi, chief of the political department met today with Cuban Foreign Minister Isidoro Malmierca. The conversations took place in an atmosphere of friendship and understanding. Both parties analyzed aspects of the international situation, which are of mutual interest.

The Cuban foreign minister expressed his pleasure for the visit to his Palestinian counterpart, which will be a new contribution to the development of bilateral relations.

Accompanying the Palestinian diplomatic leader are 'Isam Salim, ambassador to Spain; Taysir Qub'ah, vice president of the National Palestinian Council; and 'Imad Gada', ambassador to Cuba. Representing Cuba in the conversations were Vice Minister Giraldo Mazola, and Alberto Velasco, director of the Ministry of Foreign Relations Regional Policy 6 Directorate, North Africa and the Middle East.

Mr. Faruq Qaddumi arrived last night. During his visit, he will meet with leaders of the Communist Party of Cuba and the government, and will follow a program which includes visits to tourist centers and sites of historical interest.

Cooperation Agreement Signed With PRC

PA1406143092 Havana Radio Havana Cuba
in Spanish 0000 GMT 14 Jun 92

[Text] Liu Zhongyi, PRC minister for agriculture and fishing, and Carlos Perez and Jorge Fernandez, Cuban ministers for agriculture and fishing, respectively, signed a cooperation agreement in Havana on 14 June.

The agreement includes production of animal medicines, organic fertilizers, and organic pesticides. Exchange in the fields of apiculture and freshwater fishing, as well as the breeding of shrimp and other marine species, will continue.

Brazilian Radiation Victims To Receive Care

PA1406142892 Havana Radio Havana Cuba
in Spanish 0000 GMT 14 Jun 92

[Text] Approximately 600 Brazilian children will travel to Cuba to receive medical attention for the effects caused by a radioactive accident with Cesium 137. The accident occurred in 1987 in the city of Goias.

The Cuban decision to receive the children is part of a scientific cooperation agreement signed between Cuban President Fidel Castro and Iris Rezende, governor of the state of Goias.

Fidel Castro pointed out that Cuba is prepared, if necessary, to provide medical attention to the 6,500 persons affected by the accident.

Another scientific cooperation agreement was signed between the Cuban president and Rio de Janeiro Governor Leonel Brizola. The Brazilian governor expressed his appreciation to the Cuban Government for its cooperation in the disciplines of science, medicine, and sports.

Government's Reforestation Program Commended

PA1206010492 Havana Radio Havana Cuba
in Spanish 0000 GMT 11 Jun 92

[Roberto Morejon commentary]

[Text] Cuban scientist Rosa Elena Simeon said recently in Rio de Janeiro that development should not be based on the industrialized nations untenable life styles and patterns of consumerism, nor is development possible without the necessary structural reforms and the rational management of resources.

The assertions made by Simeon, who is also president of the Cuban Academy of Sciences, were among the basic guidelines of Cuba's position at the UN Conference on Environment and Development, which is under way in Rio de Janeiro.

In practice, Cuba supports Dr. Simeon's assertions, because for many years the island has been working to establish models of consumption and life styles keeping with the needs, traditions, and economic capabilities of a poor nation.

From the triumph of the revolution, the Cuban authorities understood it was imperative to cast aside false concepts of development that fostered the boundless exploitation of national resources—among them forestal resources. The indiscriminate felling of trees turned many of the luxuriant forests that existed in Cuba between the 15th and 19th centuries into razed lands, to the extreme that in 1959, the country's forest areas covered only 14 percent of the nation's territory.

To revert this deficit, it was essential to promote a reforestation process, which was initiated that same year. This process depended on the contributions of the Cubans themselves, especially that of the over 630,000 inhabitants of the nine mountainous provinces. This reforestation, which made it possible to cover over 20 percent of the country's territory with forests, is currently being carried out by over 100 brigades and groups, many of which have high production.

Nevertheless, from school children to retirees also contribute to the planting of trees in areas close to cities, and even within the cities. All of this work depended, of course, on a coherent strategy executed by over 2,000 mid-level technicians, and approximately 600 university-trained specialists, trained primarily in farming areas.

When addressing Rio 92, Cuba can talk about a successful national plan to prevent the destruction of its forests, vegetable species, and fauna, and watch over its surroundings without sacrificing development.

Country's Rank in Biotechnology Worldwide Viewed

PA1406153892 Havana Radio Havana Cuba
in Spanish 0000 GMT 14 Jun 92

[Roberto Morejon commentary]

[Text] The Havana 92 International Congress on Biotechnology, that recently ended in Havana, has proven why Cuba is now in fifth place in this field of science worldwide, right behind powers like the United States, Japan, France, and Germany.

Only 10 years after the introduction in Cuba of this technology, which revolutionized the scientific field, the Greater Antilles has unveiled to the attentive eyes of illustrious visitors a broad range of over (?200) new products.

The many scientists and researchers who attended the congress were able to see how work in this important biotechnological field is progressing rapidly in Cuba, thanks to the government's determination to make this field the prime mover of the nation's economic foundation.

Another reason for Cuba's staggering progress is its ability to bring together (?thousands) of talented individuals who—free of prejudice and professional jealousies—are capable of sharing their experience. From the 1980's, when the (?biological center) was created, and Cuba's first (?interferon) appeared, local scientists have worked devotedly to make new discoveries and to immediately make new products to meet the nation's needs, even to export. The Havana 92 International Congress on Biotechnology proved that Cuba is capable of resolving such basic problems as the growing need for organic fertilizers and biological mediums for agriculture, and the reduction of the effects of Acquired Immune Deficiency Syndrome [AIDS].

There are reports to the effect that Cuba is speaking with representatives from Argentina and Nicaragua about those nations' interest in establishing biotechnological complexes for the joint production of organic fertilizers and biological mediums.

With regard to AIDS, Cuban scientists have sought effective means of diagnosing the disease to replace those methods that were initially purchased abroad for blood tests. The emergence of the (?tempra) microanalytic system, which has aroused interest in other countries, has been confirmed.

For the foreign delegates at the recent congress, the scientific, economic, and social (?importance) of Cuban biotechnology is unquestionable and promising.

Agriculture System Seeks To Preserve Environment

PA1306020892 Havana Radio Havana Cuba
in Spanish 0000 GMT 12 Jun 92

[Roberto Morejon commentary]

[Text] The toppling of socialism in Eastern Europe, and the abrupt reduction of supplies to Cuba that accompanied that process, obliged the Caribbean country to emphasize biological means to ensure the promotion of agricultural production. This alternative uses organic and natural methods, as opposed to the increased use of chemical products. This constitutes a demand by many of those now meeting in Rio de Janeiro, the Brazilian city where the Earth Summit is being held.

As is known, an intensive agricultural system based on chemical agents was generalized worldwide because of its high yield in the short term. However, the disadvantages of the system were rapidly discovered because it requires a vast consumption of energy and contaminates the air because of the sustained use of artificial substances. Contrary to this, agriculture based on biological and natural agents favors the preservation of the environment through the use of insects, organic fertilizer, and biological pesticides to obtain agricultural products of higher quality.

Cubans, in keeping with the current limitations and wishing to reduce the zones of contamination, are currently applying biological pesticides on 818,000 hectares of more than 6,700,000 cultivable hectares in all the island. This land is dedicated to the planting of tubers, grains, and vegetables. Another example of the introduction of biological agents in Cuban agriculture can be observed in the coffee harvests. Currently, more than 30,000 hectares of coffee plantations are integrated into the program. The situation is similar with citrus fruits. Over 10,000 hectares are treated with this technique. In the case of coffee, analysts recommended agrotechnical actions involving the regulation of shadows, and using live overheads, higher trees, and pruning and fertilizing, in order to favor the promotion of natural bioregulators.

Regarding citrus fruits, we can say that, simultaneous with the substitution of important volumes of chemical products, fruits were obtained that are similar in quantity and quality to those in the rest of the areas where the conventional methods were applied. The accelerated use of bioregulators on Cuban farmlands will favor the sanitary botanical conditions of crops, will contribute to reducing impurities in the environment, and will promote the nourishment programs seeking to attain self-sufficiency in agriculture.

*** Research To Limit Use of Antibiotics Described**
92P40206B

[Editorial Report] Havana TRABAJADORES in Spanish of 18 May 1992 on page 12 in an article by Carmen R. Alfonso reports that Daysi Franco

Dominguez, a surgeon at the 10 de Octubre Surgical Clinical Hospital, was awarded by the Cuban Surgical Society for her research titled: "The Immunological Defense System in Surgical Patients: Its Relation to Postoperative Septic Complications." The article explains that the purpose of the research is to predict whether a patient who is about to undergo surgery has a sufficient immunological defense system in order to determine which patients need to be treated with antibiotics to prevent infection and which do not. According to Dr. Franco, "We demonstrated that preventive antibiotics should not be used unnecessarily because this creates resistant strains of bacteria that harm the patient and the economy, because of the high cost. Let us stick to the principle that 'the human organism can defend itself.'" The article further explains that research was done on patients about to undergo elective abdominal surgery. Dr. Franco states: "This research can serve as a guideline to surgeons in order to avoid the indiscriminate use of antibiotics."

* Trade Agreement, Debt Repayment Reported

92P40206A Santa Fe de Bogota EL ESPECTADOR
in Spanish 20 May 92 p 8A

[Excerpts] Colombia and Cuba will renew trade so that the island will be able to repay, partially in kind, the \$40 million it owes to the Bank of the Republic.

The agreement works in the following way: For every \$10 [worth of goods] that Colombia imports from Cuba, \$5 [of the earned income] will go toward canceling the debt, and the remainder will be used to purchase goods from Colombian industries.

This will not only strengthen trade between the two countries, but it will also bring Cuba up-to-date with its debt payments.

Seminar

This is one of the reasons why the National Association of Exporters [Analdex] is organizing a seminar on 4 June to discuss the possibilities for trade with the Caribbean. [passage omitted]

According to Analdex: "Colombia is just a few hours away from a market of 34 million inhabitants who each year import \$33.75 billion worth of goods, which can be of great profit to us."

A detailed analysis of Colombia's bilateral trade with Cuba, Jamaica, the Dominican Republic, Puerto Rico, and Trinidad and Tobago shows that, by and large, Colombia enjoys a positive trade balance involving a wide range of products.

Sales are diverse and include petroleum and petroleum byproducts, iron and steel goods, machinery and electric appliances, cotton cloth, wood, coal, ceramics, flowers and seedlings, books, textiles and clothing, footwear, leather goods, and much more.

In return, Colombia imports gasoline, gypsum, machine parts, glassware, antibiotics, natural hormones, excavation machinery, motor vehicles, marble, and rubber tires, to name a few.

Although Caribbean countries buy most of their goods from the United States, Europe, and Japan, imports from Latin America are showing a rising trend.

Haiti

Marc Bazin To Meet With Deputies on 16 Jun

FL1506225992 Port-au-Prince Radio Metropole
in French 1600 GMT 15 Jun 92

[Text] The last thing for Marc Bazin to do before taking over the country's affairs will be to speak before the House of Deputies. Prime Minister Marc Bazin will very probably be at the House of Deputies tomorrow [16 June] to present his general policy declaration. In fact, the president of the Lower Chamber, Dr. Alexandre Medard, was due to send a letter to Marc Bazin over the weekend. This will be the last step in the series of parliament tests, which the Movement for the Establishment of Democracy, MIDH, leader has been going through following his selection by Provisional President Nerette to lead the consensus government.

Forty-one deputies are needed to approve Marc Bazin's government policy, in conjunction with the Constitution which provides for an absolute majority vote, in such cases.

Further on Senate Ratification of Bazin Policy

FL1506161992 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 15 Jun 92

[Excerpts] With 14 votes for, one against, and one abstention, on 13 June the Senate ratified the general policy of new Haitian Prime Minister Marc Louis Bazin. The senators of the National Front for Change and Democracy [FNCD], the party of deposed President Father Jean-Bertrand Aristide, boycotted the session once again. None of them went to the Senate except Senator Clark Parent, who turned the session upside down with a number of questions for the new prime minister. In responding to those questions, Bazin requested that Sen. Parent ask the FNCD to give him a chance to do the prime minister's work. [passage omitted]

It was during that session that the parliament or the Senate [as heard] ratified the general policy of new Haitian Prime Minister Marc Louis Bazin. After the vote of confidence that the office of the Senate [as heard] gave to the new consensus prime minister's general policy, many senators criticized the manner in which the vote was taken and the session held. Senator Rony Mondestin of the National Reconstruction Movement [MRN], whom we are going to hear shortly, said that the vote was illegal and unconstitutional because it violates Article

116 of the country's Constitution. He stated that a majority of the chamber must be present in order to adopt a resolution. He further said that Senate President Dejean Belizaire, who has the right to vote only if the outcome is not decisive, had voted.

Belizaire told AFP that this information was not accurate, noting the Senate resolution to reduce the quorum from 14 to 13 members.

FNCD Sen. Wesner Emmanuel thinks that the vote on 13 June was a scandal and that it did not comply with the provisions of the Constitution setting the number of senators at 27. In statements to the Haitian Press Agency [AHP], Sen. Emmanuel said that if that resolution is the basis for ratification of Marc Bazin's declaration of general policy, the Constitution has been amended, whereas the National Assembly can do that [sentence as heard].

Bazin will have to present his general policy this week before the House of Deputies. The new prime minister summarized his general policy in the four major points of the Villa d'Accueil agreement: to create a consensus government, resume the file of negotiations, boost the country's economy, and reinforce democratic structures.

Marc Bazin published the final list of members of his consensus government Saturday evening at the Senate. [passage omitted]

Further on Bazin Ministerial Cabinet

*FL1506155092 Port-au-Prince Radio Tropic FM
in Creole 1100 GMT 15 Jun 92*

[Excerpt] [Passage omitted] We would like to point out that the prime minister has presented the complete list of his ministerial cabinet. The minister of finance and economy is (Wiener Fort) and Georges Henry Fils, is state secretary; at the Ministry of Public Health and Population, Dr. Adrien Westerban, minister, and Dr. Fritznel Larosiliere, state secretary; at the Ministry of Agriculture, Jacques Baker, minister, and Reverend Robert Ulysse, state secretary; at the Ministry of Social Affairs, Andre Brutus, minister, and Mrs. Maude Thy-motee, state secretary; at the Ministry of Justice, Moise Senatus, minister, and Mrs. Mireille Durocher; at the Ministry of Public Works, Jean-Carmelo Pierre-Louis, minister, and Engineer Etzer Volcy, state secretary; at

the Ministry of Foreign Affairs, Francois Benoit, minister, and Diderot Belizaire, state secretary; at the Ministry of National Education, Max Carre, and Claude Roumain as state secretary. The minister of commerce and industry is Jean-Robert Delsoin; at the Ministry of Information, Andre Calixte, minister, and Wilhem Romeus, state secretary; at the Ministry of Interior and National Defense, General Carl-Michel Nicolas, minister, and Colonel Guy Francois, state secretary.

We point out that only four of the 11 political parties in the parliament participate in the consensus government. They are the National Progressive Revolutionary Party of Haiti, the Movement for the Establishment of Democracy in Haiti, the Mobilization for National Development, and the Haitian Christian Democratic Party.

FNCD Rejects Solution Excluding Aristide

*FL1506231392 Port-au-Prince Radio Metropole
in French 1600 GMT 15 Jun 92*

[Text] The National Front for Change and Democracy, FNCD, renews its faith in serious negotiations, according to the Front, in order to extricate the country from the crisis. In a message issued yesterday on its second anniversary, the FNCD rejects once more any political formula excluding the participation of Jean-Bertrand Aristide. The FNCD asserts that no prime minister chosen by the current provisional president could calm the social climate in the country. He would have, according to the Front, to turn to repression to maintain himself in power. Considering that repression and force are not an effective way to quench the thirst of democracy of an entire nation, the FNCD believes that the solution to the crisis must essentially come through negotiations considering the force and the interests of all the concerned parties by the crisis.

Victor Benoit, one of the FNCD spokesman, expressed his surprise following the vote of confidence by the Senate of the Republic of the general policy of chosen Prime Minister Marc Bazin. Resuming Senator Mondestin's arguments, the FNCD spokesman considers it irregular, the vote of Upper Chamber President Senator Dejean Belizaire. It is to note that the presence and the favorable vote of FNCD Senator Yvon Gislain, was an element on 13 June. Commenting on this attitude of the FNCD parliamentarian, Professor Victor Benoit states that it is Senator Yvon Gislain's personal decision. He also stated that such indiscipline will soon be treated within the party.

Foreign Secretariat Bans U.S. DEA Activities

PA1606040392 Mexico City NOTIMEX in Spanish
0335 GMT 16 Jun 92

[Text] Mexico City, 15 Jun (NOTIMEX)—Mexico warned on 15 June that it will consider a "criminal act" any attempt to kidnap a Mexican national for trial in another country and banned the activities of U.S. DEA agents in its territory.

As of 15 June, U.S. DEA agents posted in Mexico cannot fulfill the duties they had been authorized to perform.

The measure will remain in effect until "the new criteria of cooperation that will guarantee respect for juridical order and safeguard our sovereignty are determined," states a communique issued the night of 15 June by the Mexican Foreign Secretariat.

The warning was made after the U.S. Supreme Court determined it can ignore extradition treaties in order to orchestrate the kidnapping of criminal suspects abroad for trial in the United States.

In a communique released the night of 15 June, the Mexican Foreign Secretariat stated that its government considers the Supreme Court ruling "invalid and unacceptable."

The court ruling directly affected Mexican Dr. Humberto Alvarez Machain, captured in Mexican territory and taken to the United States to be tried for his alleged participation in killing a U.S. DEA agent in 1985.

In the opinion of the Mexican Government, which had requested the extradition of the Mexican prisoner, the U.S. court's ruling "violates basic principles of international law." It also "overlooks the use of extradition treaties as the sole, recognized, legitimate and legal means to arrest a person in a sovereign state, and transfer him to another state afterward."

Mexico rejected "any interpretation that recognizes the possibility of applying the laws of a country beyond its own borders."

The communique warned that "based on its sovereign right, it will act in keeping with its own laws and international legislation" and revise the extradition treaty signed between the two countries in 1978.

In banning DEA activity in Mexico, the government will correspondingly suspend the activity of Mexican agents posted to the United States.

Salinas Arrives From Earth Summit, Comments

PA1506214092 Mexico City Canal 13 Television
Network in Spanish 1300 GMT 15 Jun 92

[Text] Mexican President Carlos Salinas de Gortari arrived in Mexico City from his working visit to Costa Rica, Venezuela, and Brazil. Salinas said his visit to

Costa Rica proved very encouraging because a commitment was made to sign a commercial cooperation agreement with Central America this year. Salinas said that Mexico's commitment for a better environment was affirmed in Brazil and that firm actions will be taken to improve the environment for the benefit of many of his countrymen.

At the end of his visit to Rio de Janeiro, Brazil, where he attended the Earth Summit, Salinas said: Without funds, it is very difficult to meet the challenge implicit in cleaning up the environment. During a news conference for Mexican correspondents and journalists, Salinas said the funds must come from two sources, internal savings in each nation and each nation's own natural resources. He also said that the environment cannot be protected with only aid, but that a solution must reach deeper into the causes for the problems.

[Begin Salinas recording] The need for funds to protect the environment cannot be met with aid alone. For decades, we witnessed the total inefficiency of the so-called aid programs to solve poverty problems. Just as these programs failed to solve poverty problems, they will not solve environmental problems either. So aid is not the issue, but greater opportunities and access to the great markets of the industrialized countries through freer trade. [end recording]

During the news conference in Rio, Salinas said the protection of the environment is a priority item for his government and that, for this reason, the agreements signed during the Earth Summit will be abided by the Mexican Government. Assessing the UN Conference for Environment and Development, Salinas said the work on ecology has not yet been completed.

[Begin Salinas recording] We departed encouraged, but we could not say we regard the work as completed. It has barely begun. For a number of years, we have been firmly fighting abuses of the environment. [end recording]

Salinas also referred to the use of technology that (?does not harm) the environment. He said that traditional technology has caused harm in many cases and that it is more costly to correct the deterioration than to prevent it.

[Begin Salinas recording] There must be an equitable distribution of the efforts and costs because the situation becomes paradoxical. Pollution is most serious in the regions with the poorest people. It would be hard to ask them to tax their incomes even further because all they are doing is to survive. [end recording]

Salinas, who was accompanied by Social Welfare Secretary Luis Donaldo Colosio and Inter-American Development Bank Director Enrique Iglesias, said the meeting that concluded in Rio de Janeiro can be regarded as a continental divide because a biodiversity and convergence in the North and the South was recognized.

Congress Approves Monetary Reform Laws

PA1306034492 Mexico City NOTIMEX in Spanish
1018 GMT 12 Jun 92

[Text] Mexico City, 12 Jun (NOTIMEX)—The Mexican Congress approved two bills sent by President Carlos Salinas de Gortari to create new currency and to eliminate three zeros to the peso. After a four-hour session, the reform bill and the addition to the monetary law were approved without discussion by 329 votes in favor and 15 against.

The bill stipulates the characteristics of the new five, 10, 20, and 50 cent coins and the one, two, five, and 10 "new pesos." This is the monetary unit equivalent to 1,000 current pesos that will begin circulating in January 1993.

Deputies from the Party of the Democratic Revolution and the Popular Socialist Party opposed the initiative and said it was superficial "because it did not resolve any of the fundamental problems of the national economy."

They noted that the country lacked the economic conditions for the effective implementation of this reform because sustained and generalized growth is nonexistent. They warned that the reform could trigger a new cycle of financial imbalance.

Parliamentarians from other parties pointed out that the measure will not have the desired effect, but they believed it will be positive because it will ease costs and facilitate economic activity.

The deputies warned that citizens have to be fully informed of these changes and that the economic agreement between the government and the business and labor sectors will have to be reformed in order to avoid oligopolistic practices such as the increase in prices and overblown inflation rates.

The governing Institutional Revolutionary Party asserted that the monetary reform is based on the group of measures that have radically transformed the profile of the current Mexican economy. Congress added details to the bill. It emphasized the need to specify both the current and the new pesos in the new monetary system in order to avoid confusing people with prices.

* Coffee Growers Seek More Pronasol Support

92CA0161C Mexico City LA JORNADA in Spanish
3 May 92 p 15

[Report by Matilde Perez U.]

[Text] Luis Hernandez Navarro and Fernando Celis Calleja, who sit on the National Coordinating Board of Coffee-Grower Organizations [CNOC], are of the opinion that the National Solidarity Program [Pronasol] "is a survival tool for thousands of growers, but has not been successful in combating extreme poverty among coffee growers."

As an example they mention that during the 1989-1990 crop year, a small grower with two hectares of coffee and an output of 500 pounds earned the equivalent of 369 days of the annual minimum wage, whereas during the 1991-1992 crop year his income fell to 195.23 days of minimum-wage income.

In an analysis titled "Pronasol and Coffee Growing," the CNOC members note that the funding that coffee growers now receive through Pronasol would have to increase ninefold (to 819.1465 billion pesos) in order to meet the financial requirements of slightly more than 252,000 small-scale growers in this sector, as it costs them an average of 170,000 pesos to produce 100 pounds.

Although Pronasol has expanded its outreach to coffee growers since it was created in 1989, "it has still not resolved underlying problems of domestic coffee growing," Hernandez Navarro and Celis Calleja feel.

They add that in 1990 it helped about 187,000 small growers (with a crop area of 238,334 hectares) in 2,878 communities in 401 municipalities in 12 coffee-growing states. In the 1990-1991 growing period, it allocated a total of 173.265 billion pesos for fertilization and cutting programs, aid for frost-damaged zones, and support for bulking and marketing, among other things.

As far as the two experts in coffee-growing are concerned, Pronasol has to reorient its activities: "If it wants to be more effective, it will have to base its involvement in the sector on a coffee-growing policy that must be implemented through coordination among institutions and under a new model for government intervention in the countryside."

They point to tight credit, low prices, and a 170-billion peso past-due loan portfolio with development banks as other factors in the coffee crisis; these factors "will also cause the per-hectare yields of coffee to decline by 20 percent this year."

This situation, they warn, "will directly affect 70 percent of the more than 2 million growers" of the aromatic bean, "who own less than two hectares and account for a little more than 31 percent of domestic production."

The concentration of funding can also be seen in other areas, one of which is bulking.

In this regard, they remark: "During the previous growing period, the private sector bulked 90.4 percent of the coffee grown, besides owning the coffee-roasting and coffee-milling industry. It has obvious control over most of the financial resources available for coffee marketing."

As far as both members of the CNOC are concerned, coffee growers have little chance of an immediate, broad recovery because they are up against a drastic drop in coffee prices (below \$70 per 100 pounds), as well as the absence of a program that spells out the functions of the Mexican Coffee Institute, the National Indian Institute,

Pronasol, the Secretariat of Agriculture and Water Resources, the Institute of Rural Training, the Secretariat of Agrarian Reform, the National Rural Credit Bank [Banrural], the National Foreign Trade Bank of Mexico, and of the governments in the coffee-growing states.

As for the Coffee Trust, one of the financing sources that the growers have, they note that it has 323 billion pesos in capital, but debts of 164 billion.

Since its founding in 1988, the trust has undertaken three basic financing programs: support for the 1989-1990 harvest, with a return of 50 percent; putting up 100 percent collateral with Banrural for the 60 billion pesos in working-capital loans for the 1991-1992 growing period; and a 22.5 billion peso emergency program for the 1991-1992 harvest.

Thus, they add, domestic coffee growing, which for years was one of the branches of agriculture capable of "sound operations" (Mexico is the world's fourth-largest coffee producer and the second-largest of the Arabian variety), is currently facing a severe crisis in which "more time has been spent deciding how to help growers than on actually helping them."

* Broad Range of Support Found for NAFTA

92CA0161A Mexico City NEXOS in Spanish No 172,
Apr 92 pp 81-83

[Text]

What the Free Trade Agreement Holds in Store

Almost two years after the government voiced its determination to sign a Free Trade Agreement with the United States and Canada and with the final decision drawing ever nearer, the FTA [Free Trade Agreement] is very much on the public's mind today.

Opinion Profesional conducted a poll in six cities around the Republic for NEXOS to ascertain the population's opinion of the FTA. This is the fourth poll that we have done on this issue, thus enabling us to monitor the changes or lack thereof in respondents' views.

Support for and Opposition to the FTA

Support for the FTA and confidence that it will be good for Mexico remain high in the six cities on the whole. In the ZMCM [Mexico City Metropolitan Area], the only region for which the sample can be compared over time, support edged lower but remains clearly in the majority, falling from 49.5 to 47.1 percent. Opinion did not,

however, shift from support to opposition, which declined by more than 10 percent. The response that posted a rise was "it makes no difference" whether the FTA is signed or not.

The differences in support are striking among the six cities. The highest percentages of support are consistently recorded in Monterrey and Merida (between 70 and 80 percent). Guadalajara, Tijuana, and Tuxtla represent a second level of support (between 60 and 70 percent). And although the ZMCM has the lowest percentage "in favor," the FTA still has majority backing there (between 50 and 60 percent).

Getting rid of taxes on and barriers to trade between two countries is called a "Free Trade Agreement." Would you be for or against such an agreement between Mexico and the United States?

City	Against	For
Monterrey	1.8	73.8
Merida	6.6	68
Guadalajara	14.2	60.1
Tijuana	12.8	53.3
Tuxtla	8.8	51.2
Total	13.7	50.7
ZMCM	15	47.1

Adding in "not sure" and "did not answer" yields 100 percent.

Specifically, from what you know, do you think that an FTA is good or bad for Mexico?

City	Bad	Good
Monterrey	4	86.4
Merida	8.2	80.8
Guadalajara	20.8	67.7
Tuxtla	13.6	65.2
Tijuana	17.4	64.1
Total	16.2	62.5
ZMCM	17.2	59.2

The degree of support for the FTA is obviously related to the income level of the respondents. The FTA also enjoys majority support among lower-income sectors but to a lesser extent than among higher-income earners. The main explanation for this is that indifference ("It makes no difference" whether the agreement is signed or not) or ignorance (I "do not know" whether the FTA is good or bad for Mexico) is more common among this segment.

Would you be for or against an FTA between Mexico and the United States? (in percentages)

Reply	0-1 Minimum Wages	1-3	3-7	7+	Total
For	40.6	57.9	64.2	74.8	57.4
Indifferent	33.0	25.6	20.0	13.4	24.6
Against	12.4	9.7	11.8	7.5	10.5
Not sure	12.9	5.9	3.3	3.7	6.5
Did not answer	1.1	0.9	0.7	0.6	0.9
Total polled	704	1,601	812	321	3,438

Specifically, from what you know, do you think that an FTA is good or bad for Mexico? (in percentages)

Reply	0-1 Minimum Wages	1-3	3-7	7+	Total
Good	51.8	70.4	76.5	81.9	69.1
Bad	18.0	13.8	12.2	10.9	14.0
Not sure	28.0	13.9	9.5	6.2	15.0
Did not answer	2.1	1.9	1.6	0.9	1.9
Total polled	704	1,600	812	321	3,437

Perception of FTA Benefits

Support for the FTA is clearly based on the conviction that it could bring personal benefits. Fifty-seven percent of the respondents feel this way. These respondents are of the opinion that the FTA could bring higher wages, more and better jobs, and various benefits to consumers: higher quality goods and a greater variety thereof. Nonetheless, people do not believe that the FTA will have any positive impact on the prices of items that they regularly consume. Most feel that prices may rise or stay the same.

Do you think that the signing of the FTA with the United States and Canada could be of personal benefit to you?

Reply	Percentage
Yes	56.9
No	32.7

Of the 56 percent who answered yes:

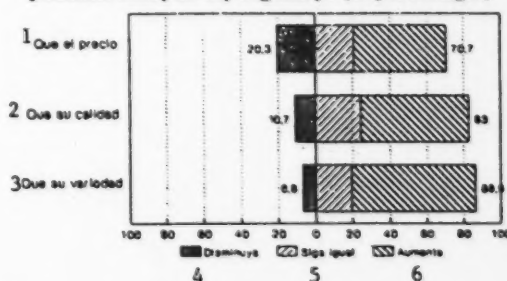
What sort of benefit?

Reply	Percentage
Higher quality products	31.4
More job opportunities	30.9
Greater diversity of products	18.8
Lower prices	14.6
Other	4.4

Adding in "not sure" and "did not answer" yields 100 percent.

As is the case with support for the FTA, these opinions vary widely as a function of income. The lower-income population (those earning less than one minimum wage, who account for 25 percent of the people polled) is much less optimistic than higher-income segments (those earning more than three times the minimum wage, 27 percent of the population surveyed).

Under the FTA what do you think will happen with the products that you buy regularly? (in percentages)



Key:

1. The price will
2. Its quality will
3. The variety will
4. Decline
5. Remain the same
6. Rise
7. Adding in "did not answer" yields 100 percent

Do you think that the signing of the FTA with the United States and Canada could be of personal benefit to you?
(in percentages)

Reply	0-1 Minimum Wages	1-3	3-7	7+	Total
Yes	44.3	56.5	66.3	68.5	57.4
No	40.3	31.9	27.0	24.0	31.7
Not sure	14.2	11.1	5.8	5.9	10.0
Did not answer	1.1	0.6	1.0	1.6	0.9
Number of cases	704	1,601	812	321	3,438

Jobs

By and large, the respondents feel that the FTA will provide more jobs and opportunities for advancement both on a personal level and for the entire population. One of three respondents believes that he will find a better job after the FTA is signed. One in five assumes that his situation will not change at all. Only a minority (10 percent) fear that they may lose their jobs. When the respondents were asked to say whether their personal training and background would help provide them with better or worse job opportunities, only a minority (10 percent) replied that they would be worse. The majority thinks that their opportunities will be better or, in the worst-case scenario, the same.

In your particular case, do you think that you might lose your job or business or find a better one?

Reply	Percent
Find a better one	29.0
Stay the same	22.5
Lose job or business	9.0
Not sure/did not answer	14.6

Adding in "do not work" yields 100 percent

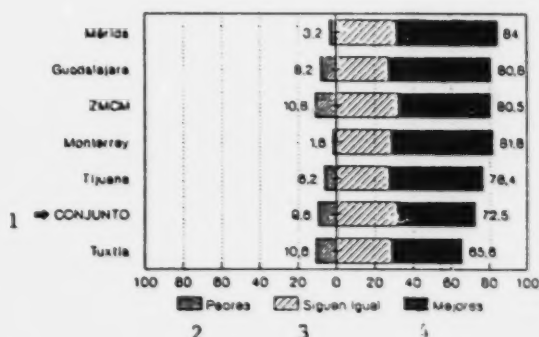
The comments about the repercussions of the FTA have been both positive and negative. Do you think that with the agreement....?

Reply	No change	More
There will be more or fewer jobs for people*	20.4	57.1
Mexicans will have opportunities for advancement**	19.3	54.4
You will have opportunities for advancement***	28.2	40.8

Adding in "did not answer" yields 100 percent. *Fewer, 12.3 percent.

Fewer, 15 percent. *Fewer, 13.6 percent.

Based on your background and training, do you think that your job opportunities will be better or worse with the signing of the FTA?



- Key:
1. Total
 2. Worse
 3. Same
 4. Better

*** ESTE PAIS Poll on NAFTA, Corruption**

92CA0161B Mexico City ESTE PAIS in Spanish
Apr 92 p 57

[Text] Corruption

Do you think that corruption has increased or decreased during this six-year term?

Reply	Percent
Increased a lot	15
Increased somewhat	32
Stayed the same	22
Decreased somewhat	14
Decreased a lot	6
Not sure/did not answer	11

Assessment of the Administration

How do you think things will be at the close of this six-year term?

Reply	Percent
Very good	5
Good	61
Neither good nor bad	15
Bad	9
Very bad	3
Not sure/did not answer	7

The Free Trade Agreement

Some people say that if the FTA [Free Trade Agreement] is signed there could be serious disruptions in the Mexican economy. Others say that it will help.

With which of these views do you agree?

Reply	Percent
Would disrupt the economy	23
Neither	39
Would help the economy	10
Not sure/did not answer	28

The "Chilangos"

Have you heard the expression "Do something for your country, kill a Chilango" [an outsider from Mexico City]? If you have, do you think people are right or wrong to use it?

Reply	Percent
Very right	2
Right	4
Neutral/right	2
Neutral/wrong	2
Wrong	27
Very wrong	23
Not sure/did not answer	40

Methodology

Date of survey: November 1991. Sampling method: Random by clusters. Sample size: 1,526 interviews in 61 communities. Margin of error: plus or minus 3 percent. Type of interview: personal, in home. In charge of research: Miguel Basanez. In charge of survey: Jesus Orozco. Graphic design: Pablo Paras. Sponsor: ESTE PAIS.

Costa Rica

President Calderon Previews Visit to Paraguay

PA1606044092 San Jose Radio Reloj in Spanish
1730 GMT 15 Jun 92

[Report by William Cespedes from Rio de Janeiro, Brazil]

[Text] The Earth Summit, attended by 130 heads of state from all over the world, including President Rafael Angel Calderon Fournier, has ended. At the summit, he reiterated important aspects of the declaration Costa Rica issued in December 1991 on a new international ecological order. He was pleased that some of these points and objectives were included in the Rio Declaration and Agenda 21. The president is now beginning a trip to Paraguay. He left approximately two hours ago, 1030 in Brazil and 0730 in Costa Rica, for a two-day visit at the invitation of President Andres Rodriguez. This is the first time a Costa Rican president will visit Paraguay, which for years lived under dictatorial rule.

Rodriguez will welcome our president, and the two leaders will meet on 15 and 16 June to discuss the possibility of Costa Rica establishing commercial ties with the Southern Cone Common Market [Mercosur], comprising Brazil, Uruguay, Paraguay, and Argentina. President Calderon will take advantage of this trip to seek Paraguayan support for the candidacy of Foreign Minister Bern Niehaus, who is running for the post of OAS secretary general. This is what Calderon said shortly before departing for Asuncion:

[Begin recording] [Calderon] A Costa Rican president can go to Paraguay because it has finally established a democratic system. Since it is only a 90-minute flight from the Rio de Janeiro summit, I deemed it important to go to Paraguay to reaffirm to the Paraguayan people, who have waited a lifetime for democracy, that we, who have been fortunate to have lived in a democracy for over 100 years, come to give our support. We are also going to open the way for free trade, which has been one of the government's objectives since its first day in office. We are going to open the way in Mercosur during our visits to Paraguay and Argentina. Afterward, we will do the same in Brazil and Uruguay, and [word indistinct] to begin to open the way for greater commercial integration between Mercosur and Central America.

[Reporter] [Question indistinct]

[Calderon] The seven Central American countries, yes, from Belize to Panama. [end recording] These were President Calderon's remarks. He will be visiting Paraguay on 15 and 16 June. Afterward, he will fly to Argentina at noon on 17 June, where he will be welcomed by President Carlos Menem. We will be reporting on these visits in future newscasts.

El Salvador

FMLN Leader, Others To Visit U.S. Congress

PA1606005592 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 15 Jun 92

[Text] FMLN [Farabundo Marti National Liberation Front] Commander Joaquin Villalobos will travel to the United States today to appear before the House of Representative's Commission on Hemispheric Affairs. Villalobos will report on the progress of the peace process. Rebel fronts have reported that Villalobos has been invited by the congressmen to report on the problems that have delayed the implementation of the agreement signed with the government on 16 January. The sources said Villalobos will stay in Washington D.C. until 20 June, as he plans to meet with U.S. businessmen.

The secretaries generals of the opposition Christian Democratic Party and Popular Social Christian Movement, Fidel Chavez Mena and Ruben Zamora, respectively, have also been invited to report on the peace process.

Appointment of Intelligence Director Criticized

PA1606005492 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 15 Jun 92

[Text] The Salvadoran guerrillas and deputies of the opposition parties criticized the appointment of National Communications Secretary Mauricio Sandoval as director of the new National Intelligence Institution, which was created within the framework of the peace agreements signed by the government and the guerrillas. Roberto Roka [Francisco Jovel], speaking from the Farabundo Marti National Liberation Front's [FMLN] general headquarters, told the press that the appointment, made in compliance with the peace treaty, was a mistake, because Alfredo Cristiani should have consulted the rest of the nation's political forces. The government and the FMLN signed a peace agreement on 16 January ending a 12-year war in which, according to humanitarian organizations, more than 75,000 persons died.

Sandoval is the first civilian in Salvadoran history to direct a state security institution. According to the peace treaties, the National Intelligence Institution will replace the National Intelligence Directorate. Deputy Rafael Machuca of the National Conciliation Party applauded the fact that the post had been turned over to a civilian, but he expressed doubts as to whether Sandoval would do an efficient job. Machuca said that if Sandoval had not done an efficient job as communications secretary, he could hardly be expected to do better in such a sensitive position. Deputy Mario Aguinada from the National Democratic Union agreed with Machuca's opinion, stating that Sandoval did not have good relations when he was the director of the government's propaganda machine.

Interior Minister on Veterans' Return From Cuba

PA1606034592 San Salvador Radio Cadena YSU
in Spanish 1800 GMT 15 Jun 92

[Text] Deputy Interior Minister Jorge Martinez Menendez announced on 15 June that some 270 war disabled members of the Farabundo Marti National Liberation Front [FMLN] will return to the country on 17 June. Enrique Lemus has the report:

[Begin recording] [Lemus] A total of 270 war disabled members of the FMLN, who received medical attention in Cuba, will return to the country on 17 June aboard a Cubana de Aviacion flight. Deputy Interior Minister Martinez announced on 15 June. Gregorio Barca Palacios, president of the Association of War Disabled, had announced a few days earlier that the repatriation of the former FMLN fighters would take place on 16 June. The date, however, had to be postponed because of logistical problems, according to Martinez Menendez. According to a technical mission, which traveled to Havana to facilitate the return of the former FMLN fighters, 68 of the war disabled will remain in Cuba to conclude their rehabilitation therapy. The 328 former fighters of the FMLN traveled to Cuba at various times over the past 10 years. The largest contingent arrived in Havana in 1985.

[Martinez] The model of massive repatriation has been successfully carried out by the current government, through the political will of President Cristiani and cooperation between the UN High Commissioner for Refugees, UNHCR, and the governments of the countries that have been kind enough to give shelter to our compatriots because of the violence. Since 1989 we have had a massive repatriation and now we can say that those groups of repatriates are part of history, part of the past. We also have Salvadorans, who were injured during the war and are in Cuba receiving medical treatment so they can rejoin our society as useful persons. The government has facilitated, to the extent possible, the return of these persons. We have had the cooperation of the UNHCR offices. We have formed a technical mission that has been in Cuba arranging repatriation; documenting things; establishing contact with them; and showing them that as a country, as their people, we are satisfied and happy that they are coming to rejoin us. We regret that they were victims of the war and that they have sustained injuries they will have for the rest of their lives. As good Salvadorans, however, they have been able to overcome physical limitations. Demonstrating the courage that is typical of Salvadorans, they returned to this country after the end of the war and reintegrated themselves in a useful manner. At the express order of President Cristiani, it was agreed to send a technical mission composed of six persons—three support elements and three ranking officials accompanying me on this occasion—to conduct the work in Cuba to repatriate our fellow citizens. They will be providing more technical information to satisfy the journalists' curiosity. Our fellow citizens, the FMLN fighters who are in

Cuba—approximately 300—will be returning to the country on 17 June aboard a Cubana de Aviacion flight.

[Lemus] The former FMLN fighters will be established in eight places, principally in the eastern part of the country. UNHCR will give \$240 to each of the war disabled to cover their costs. The government announced through the Interior Ministry that it will help out only those places where they will be living. Mauricio Cabrera, a member of the technical commission that offered assistance in giving legal status to the former fighters, said there are still about 29,000 Salvadorans pending repatriation. They were in different countries at the end of the war, which affected the country for almost 12 years. The deputy interior minister said the arrival of the FMLN war disabled is an expression of the consolidation of peace in our country. [end recording]

Guatemala**URNG, Commission Official on UN Participation**

PA1106235192 Guatemala City SIGLO VEINTIUNO
in Spanish 10 Jun 92 p 6

[Text] Guatemalan Foreign Minister Gonzalo Menendez Park met in New York with UN Secretary General Butrus Butrus-Ghali in May regarding the negotiation process between the Guatemalan Government and the URNG [Guatemalan National Revolutionary Unity]. Francesc Vendrell acted as an UN observer during these negotiations.

Now, the URNG has issued a memorandum regarding its position on UN participation. In the memorandum it also expresses its opinion on Vendrell's removal. Below are some of the URNG's remarks and the response by Manuel Conde-Orellana, Commission for Peace president.

URNG: Format Broken

Foreign Minister Menendez has unilaterally requested the UN Secretary General to modify UN presence and representation in the peace negotiations.

The request was based on President Serrano's alleged desire to highlight the UN's profile—even though it continues to maintain its role as an observer—by appointing a Latin American political personality as observer. Some names were even suggested.

Thus, the continuation of the negotiation process is affected, when the format agreed upon in the 1990 Oslo Agreement and the 1991 Mexico Agreement is broken. This fact has serious implications for the present and for the future. The [URNG] Command considers it necessary to set out its position, explaining the scope of said proposal, should it be accepted. Although the immediate goal is to question and to remove Dr. Francesc Vendrell from the negotiation process, the ultimate reason is to downgrade the UN's role of observation and verification.

The official reasons given to request Dr. Vendrell's removal do not correspond in any way to reality and constitute a deceit. He cannot be accused of being partial or abusing authority.

We must, therefore, at least express our disagreement and serious concern regarding the unilateral position presented by the Guatemalan Government, which the URNG considers totally unfortunate. We, therefore, hold the government responsible for the delay in the negotiations.

Conde: We Appreciate UN Participation

The [Guatemalan] Government considers UN participation in the negotiations as positive, but it believes it is very important to raise the rank of the observer. This is why the government sets out the possibility for the UN Secretary General to appoint a former president or political personality from Latin America.

There even has been talk that Butrus Butrus-Ghali could appoint as his personal representative in the Guatemalan peace dialogue, former presidents Julio Maria Sanguinetti, from Uruguay, or Virgilio Barco from Colombia.

Our government values the UN role in the negotiations with the URNG, and, we must make it clear that we did not specifically ask for Dr. Vendrell's substitution.

President Serrano's regime has not broken the Oslo and Mexico Agreements at any time. Quite the opposite, it has respected and even asked the rebels to comply with the agreements when it has tried to ignore them. This is why I hope that before the end of June, we can meet with the URNG.

I talked with Conciliator Quezada Toruno, who explained to me that the rebels had accepted most of what we had proposed to conclude discussing the human rights issue. These debates are in the final phase.

We trust that before June ends, we can meet once again in Mexico City to continue and to conclude the human rights issue, and if possible, sign a total peace agreement, before the end of the year.

Honduras

Callejas Meets With FMLN Representatives

PA1306174992 San Pedro Sula TIEMPO in Spanish
12 Jun 92 p 2

[Text] Tegucigalpa—President Rafael Leonardo Callejas met on 11 June with leaders of the Farabundo Marti National Liberation Front (FMLN) to discuss the obligation of complying with the ruling to be announced by the International Court of Justice, ICJ, to settle a border dispute between Honduras and El Salvador.

They also reviewed the advancement in the implementation of the peace agreements signed by the rebels and the Salvadoran Government that ended a 12-year civil war.

Callejas said they discussed the upcoming ICJ ruling and the Salvadoran peace process.

FMLN Leader Jorge Shafik Handal agreed with President Callejas, who said the ICJ ruling must be respected.

"We must accept the ICJ's ruling, which will settle a conflict we have been dragging out for over a century," Handal stressed.

"We must settle our old accounts and prepare our countries for a future in which our main efforts must be centered on development and growing cooperation," he added.

Handal said that the meeting, which was held at President Callejas' residence, "laid the foundations for a very fruitful relationship" in the immediate and long-term future.

He said the war belongs to the past in El Salvador and that efforts are being made to comply with commitments for the dismantling of military corps and rebel groups.

Also present at the meeting were Political Adviser Mario Rivera Lopez and Presidential Private Secretary Gilberto Goldstein, as well as FMLN representatives Jorge Melendez, Sigfrido Reyes, and Ernesto Zelayandia.

FMLN Leader Cited

PA1606121992 Tegucigalpa EL TIEMPO in Spanish
13 Jun 92 p 9

[Text] Political and military leaders of the Salvadoran FMLN [Farabundo Marti National Liberation Front] pointed out on 12 June that it is essential to respect the decision made by the International Court of Justice [ICJ] in The Hague related to the border conflict between Honduras and El Salvador. They also announced new agreements to revitalize the deadlocked Salvadoran peace agreement.

These issues were explained to President Rafael Leonardo Callejas by a delegation of FMLN political and military leaders headed by Jorge Shafik Handal during a meeting on the night of 11 June.

FMLN leader Shafik Handal stated that "The ICJ's decision must be accepted. This ruling must be seen as an event that will end the possibility of a conflict". Shafik Handal's position coincided with that of President Callejas. Shafik Handal added: "All the past conflicts must be settled and both countries must prepare for the future. It must be a future where the main effort is geared toward development and a search for ongoing cooperation".

Shafik Handal said that "the meeting with President Callejas had left them quite optimistic." The president

treated Shafik Handal very warmly, as if they were old friends, despite their ideological differences. The FMLN political leader said "the basis for a positive meeting had been set." He added that the FMLN is directing its energies at issues such as development, poverty, regional integration, military reform, and democracy in El Salvador.

Shafik Handal pointed out that the process of military reform is "encountering difficulties, as we had expected it would". However, at this time, and with the support of ONUSAL [UN Observers for El Salvador], the rebels and the government have made an effort to adjust the calendar which has fallen behind schedule", as relates to complying with the peace agreement in effect since February.

When questioned by EL TIEMPO on whether or not a delay in complying with the agreements could lead to a renewal in the Salvadoran conflict, the FMLN leader said: "I do not see room for any confrontation or for more war".

The rebels and the Alfredo Cristiani government agreed they would demobilize by 31 October at the latest. The Armed Forces and the guerrillas will by then have turned in all their weapons. A specified number of guerrillas will then join the new civilian police force, and the others will rejoin civilian life.

The FMLN delegation, which is expected to announce its conversion into a political party sometime next week, returned to El Salvador on 12 June.

Cid-Gallup Poll on Callejas Administration

PA1306193492 San Pedro Sula LA PRENSA
in Spanish 12 Jun 92 p 16

[All quotations marks as published]

[Text] We present another part of the 16th public opinion poll conducted by Cid-Gallup in Honduras during the last two weeks of May, based on interviews with 1,310 persons. The sample used, according to Cid-Gallup, has a reliability of 95 percent and a 3.5 percent error margin. The newspaper LA PRENSA, radio station HRN [Voz de Honduras Network], and the "This Very Day" newscast purchased the exclusive rights to report this poll. Here are the questions asked of those surveyed and Cid-Gallup's conclusions:

Question: What is your opinion of the way President Rafael Leonardo Callejas carries out his duties?

Conclusion: R.L. Callejas' performance after two years in office is acceptable. The evaluation is positive.

President Callejas receives greater support because better family conditions are perceived to exist. The president's performance is viewed more favorably in areas, described as the "rest of the country," with the exception of San Pedro Sula.

Trends: 1990-1992

Beginning in July 1991, the way in which Callejas carries out his duties as president of the Republic is viewed favorably.

The disapproval of President Callejas' administration indicated in the first part of 1991, when he implemented a series of drastic economic measures, appears to have been overcome. Presently, the government is being accepted, although not as much as in the beginning of his administration.

Callejas, Azcona: 1988-1992

Two years into the presidential term, the manner in which former President Azcona and incumbent President Callejas are evaluated by their fellow citizens is very similar, with a two-point percentage advantage for Azcona.

Best and Worst Action by President Callejas

Question: Concerning the government of Rafael L. Callejas, what is the best and the worst thing this government has done?

Conclusion: The program to "Help Single Mothers" is the best act taken by the Callejas administration during its term in office. The assistance given to schools is also mentioned. These activities are recognized more in Tegucigalpa than in the rest of the country.

The "construction of roads, road repairs, and improvements in streets, are other actions cited frequently, particularly in "other cities." It should be pointed out that four out of 10 citizens said that they "do not know what good things has the president done. They believe that everything is negative or that nothing good has been done. This disapproval is greater among Liberal Party members and citizens of San Pedro Sula.

Concerning the negative things, President Callejas is most criticized for "the increase in the cost of living and the hike in food prices." This is followed by other economic measures, such as the devaluation of the lempira and taxes. A small percentage of the population complain about "his fraud to the people."

Question: Do you believe that in this government there is more, the same, or less corruption than in the administrations of Roberto Suazo and Jose Azcona, or do you believe that there is no corruption at all?

Conclusion: In general, Honduran citizens believe that corruption is nearly "standard operating procedure in the government." Approximately two thirds of those polled said that there was more or the same level of corruption as in the two previous presidential administrations.

A greater level of corruption is perceived by those residing in Tegucigalpa and by people under 24, as well

as by Liberal Party members and persons living under worse economic conditions than one year ago.

The President's Trips Abroad

Question: President Callejas has traveled abroad many times. Are you in favor of these trips?

Conclusion: Hondurans are divided on approving the trips abroad by President Callejas, although in this activity a negative trend can be appreciated.

On this activity, in 1990 those surveyed were questioned on the "country's need for these trips" and the position was similar: 40 percent viewed these trips favorably, while 36 percent were opposed. In 1992, the situation remains unchanged, only now there is more opposition to these trips in Tegucigalpa, among persons with high school education, and Liberal Party members.

President Callejas' Image

Question: Please, read (or I will read to you) some attributes that appear on the card, and tell me, when thinking of Rafael L. Callejas, which ones are more like him?

Conclusion: One way or the other, Honduran citizens have a view of President Callejas as a man that may differ from their view of him as president.

Callejas is seen as a working, honest, and nice man. To a lesser extent, his sincerity and fulfillment of the promises made during his campaign are viewed with approval.

Political Opinions

This part provides information on the following political topics: Preference of parties and personalities, evaluation of the work done by President Callejas, opinions of various politicians. It also includes opinion trends beginning in 1986.

Political Party Preference

Question: To which political party do you belong or which one do you favor?

Conclusion: The Liberal Party seems to be the favorite among Hondurans by a very small margin over the National Party.

In Tegucigalpa, the Nationalists are five points above the Liberals, while in San Pedro Sula the opposition party has a clear advantage.

In the geographic designation of "other cities and the rest of the country," both majority parties received a similar proportion of followers.

Political party preference is linked to the economic conditions of the household and those who feel "they live better now" tend to favor the ruling party.

Trends: 1986-1992

From January through May 1992, the country's largest political parties maintain very similar positions, even though the Liberal Party reflects a two-point increase in support.

Nicaragua

Chamorro on Currency Devaluation, U.S. Aid

PA1306154692 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 12 Jun 92

[Report by Mildiana Jerez]

[Text] The currency will not be devalued and economic stability will remain strong. President Violeta Chamorro said categorically on 11 June before leaving for Brazil, where she will participate in the Earth Summit.

[Begin Chamorro recording] We are not devaluing our currency. Those who say so are trying to discredit our fatherland. I told you this the other day.

We will inform the public when we will devalue the currency. However, we are not devaluing our currency. Our country and our currency are strong. We ask you to work together for the country's sake. [end recording]

President Chamorro trusts that the aid being withheld in the United States will come to the country.

[Chamorro] I hope that this aid will be disbursed to give us some more breathing room. Otherwise, we will have to raise taxes.

I am not being pressured nor am I pressuring anyone. We have lived off of public charity; this aid was offered to the people of Nicaragua. Perhaps now, because of some hot heads who have misinformed the other side that the situation here is pretty bad, a gentleman there decided to put a hold on the aid. Not everyone feels the same way.

I am not going to neglect and leave this country up in the air. No. I am working so that my country and all of us get better. [end recording]

Rearmed Group Says 'Civic Struggle' To Continue

PA1306182292 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 12 Jun 92

[Text] Four alleged chiefs and 256 armed men from various parts of the country on 11 June went to the offices of the Independent National Confederation of Professional Associations to state they will continue to wage a civic struggle, although they said they will not turn in their weapons, which is a contradictory statement.

A group of leaders of alleged rearmed groups who are active in the north central part of the country suddenly showed up on 11 June before the national and international media. The leaders contradicted themselves as

they announced they will seek to rejoin society but they will not turn in their weapons. They explained their reasons as follows:

[Begin recording, Frank (Mansell), chief of the general staff of the rearmed groups] We are not going to turn in our weapons. We are not going to turn them in because, first of all, we demand—we demand—that the land and property that were confiscated from those who left in exile during Sandinist times should be returned to its rightful owners.

At present, there is a draft bill to this effect before the National Assembly. Those whose property was confiscated are awaiting the results. We are going to wait to see those results. [end recording]

They explained their struggle strategy in the areas where they are active.

[Begin (Mansell) recording] We keep our troops moving, we keep small groups moving, and this allows us to have maneuverability in any kind of confrontation our forces might have with the army. [end recording]

They even threatened the journalists present at this news conference.

[Begin (Mansell) recording] We have called all the international media. We even have your home addresses. So, you better be prepared. [end recording]

Government Warns New Armed Actions Not Allowed

PA1306183692 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 12 Jun 92

[Text] Reporting that small groups of the former Nicaraguan Resistance [RN] seek to destabilize President Chamorro's peace and reconciliation program, Government Minister Alfredo Mendieta has said that the government will not allow any new armed actions and, if necessary, it will use military force.

[Begin Mendieta recording] We will fight these acts with all the resources the law allows. We will use military force, if necessary, to fight such actions. The government has been promoting a dialogue within a framework of national reconciliation that should be considered a clear stand by the government that undoubtedly entails responsibility on all parties involved.

The groups involved in this problem should necessarily understand that to harmonize a position we must have the support of all the groups involved. This cannot be a unilateral effort by the government. It must be answered by the other groups. If we do not receive this answer through these means, we will have to use the necessary resources to achieve stability in this country. The Government Ministry is not going to allow armed action of any kind in any part of the country. [end recording]

Mendieta said that hundreds of former RN members who accepted the disarmament plan have joined in making productive plans.

[Begin Mendieta recording] For example, we have observed that the RN people are the top bean producers in this country. They are working very hard; they are forming their own production groups so they can participate in the country's socioeconomic process. [end recording]

He added that, to comply with agreements signed with the recontras and the recompas, the national government will deliver construction materials in Matagalpa, Esteli, and Ocotal.

*** Commentary Criticizes Montealegre Article**

92CA0159A Managua BARRICADA in Spanish
5 May 92 p 3

[Commentary by Pedro Rodriguez C.]

[Text] The following anecdote is well-known among veteran bank officials. When one of the founders of the private banks established almost four decades ago wanted to hire a new official, he interviewed him. But rather than conduct an interview, he started a conversation on any issue but economics, banking, or finance.

At the close of one of these meetings, one of his surprised aides asked him why he had not posed questions that would have enabled him to gauge the candidate's professional competence in financial matters. The old banker replied: "You will see to that; I just wanted to find out whether he is prudent."

The president of the Banco Mercantil, Haroldo Montealegre, does not seem to have learned this lesson (that prudence is an essential quality of any banker), no matter how familiar he is with the anecdote.

Montealegre published an article in THE WALL STREET JOURNAL in which he showed extreme imprudence in assessing President Chamorro's first two years in office. We are all aware of the severe problems that Nicaragua still faces, but it is also only fair to acknowledge the progress that has been made. Montealegre downplays or is unaware of the latter.

To make matters worse, the problems that concern us all (unemployment, cholera, violence, recompas, recontras, rioters, crime, etc.) do not concern Montealegre. To him everything boils down to the fact that there are state-run banks and that confiscated properties are not being returned. Well, that is his viewpoint, and he has every right to hold it; we can even understand that this is cause for concern to a banker.

From "Leftist" to Conservative

But what we do not understand is why he has taken sides and said that President Chamorro "must act now and fulfill commitments she made, together with the parties

that worked for her election." He goes on to say that these parties represent "the consent of the majority." This is engaging in partisan politics from the position of a banker.

More seriously, and here is where the plot completely unwinds, he calls implicitly for a suspension of U.S. aid unless the state-run banks (Nacional and Nicaraguense) are privatized. This is the only possible interpretation of his argument that these banks are the cause of a \$200-million deficit, an amount that coincides exactly with the aid to Nicaragua that the Bush administration has requested from Congress.

Evincing an imprudence that knows no bounds, Montealegre attacks the state-run enterprises (some of which will surely wonder whether they ought to keep their accounts in his own Banco Mercantil) as the improper beneficiaries of the banks' deficit.

And while political parties, government, Cosep [Higher Council of Private Enterprise], UNAG [National Union of Farmers and Cattlemen], in a word, all Nicaraguans are pleading with the international community to support our reconstruction effort, Montealegre goes about painting the bleakest of panoramas for investors. There could be no better anti-Nicaragua lobby.

It is imprudent, to say the least, not to ask oneself about all of the complex causes of the deficit of the state-run banks. Would Montealegre be prepared to see his Banco Mercantil, using its own funds and without state backing, take on the risks of droughts and declines in world prices?

The veteran banker knows that prudence cannot be acquired either through education or over time. The radical conservatism that Montealegre is now manifesting can only be compared with his "leftist" radicalism when, as the first deputy minister of the economy under the Sandinists, he wanted to confiscate and expropriate property from everyone.

Panama

Comptroller General on Aid From U.S.

PA1606024592 Panama City EL PANAMA AMERICA
in Spanish 15 Jun 92 p 1A, 14A

[Report by Eduardo Soto]

[Text] A high-ranking Panamanian Government official refuted on 14 June the reports stating that Panama has squandered the aid granted by the United States. He said the "erroneous information" was meant to damage President George Bush and his electoral campaign.

Comptroller General Ruben Dario Carles told EL PANAMA AMERICA everything quoted by THE WASHINGTON POST is untrue. He said the newspaper's interpretation of a General Accounting Office (GAO) report is a "campaign strategy" against President

Bush. According to THE WASHINGTON POST, the GAO, which is an auditing department for the U.S. Congress, stated that Panama has only used—and has done so in a poor manner—70 percent of the \$420 million the United States granted the national government in May 1990. The reports say Panama used the money to support its banking system rather than "to help its poor people."

Carles presented this newspaper with a report that is totally different from the one quoted by THE WASHINGTON POST and international news agencies. He said: "I can say how every cent of the money granted by the United States was spent." According to Carles, Panamanian banks were offered \$107 million so they could grant loans to reactivate the economy, because the banks did not want to use their deposits or approve loans to local businessmen and industrialists after the 1989 invasion. The money must be returned to the national government by the Banking Commission, it was stated by the comptroller, who warned: "We have not given away the money to the banks (...). If they have not made good loans, that is not the government's problem." Carles added: The banks should be asked how much money has been used and how; which banks handled the loans; and when they expect to return the money to the central government.

According to THE WASHINGTON POST, the GAO said approximately \$352 million (out of \$420 million) were turned over to the Panamanian banking system to prevent a liquidity crisis following the invasion.

Comptroller General Ruben Dario Carles stated the following: Local media and a U.S. newspaper issued some erroneous information, based on a preliminary GAO report, that accuses "the Panamanian Government of misusing the U.S. aid." This is information that was made public in Panama and the United States. The truth must be told so that everything can be clarified.

Upon President Bush's initiative, the U.S. Government approved a \$451.1 million Economic Aid Program for the National Government and another \$577 million U.S. Economic Aid Program to Panama for trade, guarantees, and other activities.

The information we talk about refers to the first program, meaning the economic aid to the Panamanian Government, because the other program was applicable in various sectors, including the private sector, and included important financial aid components.

The Attorney General's Office deems it necessary to make the following clarifications:

1. The national government received \$451.1 million earmarked for the economic assistance program.
2. As of 31 May, agreements were signed for the use of 100 percent of the funds assigned, that is, all of the \$451 million were committed to the program's objectives.

3. As of 31 May, the U.S. Government gave the Panamanian Government \$376.3 million, that is, 83 percent of the aid that was assigned and committed.

4. As of 31 May, \$74.8 million was pending disbursement by the United States to Panama, that is, 17 percent of the total.

5. The charts accompanying this article show the components of the economic assistance program that include:

a. Emergency needs for \$40.8 million of which the United States disbursed \$40 million.

b. Immediate economic recovery, \$351.6 million of which \$309.7 million was disbursed.

c. Development assistance, \$54.2 million were assigned and committed and \$22.6 million disbursed.

d. Design, administration, auditing, and evaluation, \$4.3 million committed and \$4 million disbursed.

6. The money disbursed by the United States has been received by the Panamanian Government and been used to help with contracts and purchase orders. The payments are made when the works are under way or have concluded.

7. It is necessary to explain that the money must be used in accordance with the country's existing laws, which require open and public bids that must be competitive and indicate terms and clear specifications.

8. Perhaps this has delayed the execution of certain works but it is the only way to carry them out. The Panamanian Government has used the resources it has received from the United States honestly. The Comptroller General's Office can give those interested in this matter explanations on how the resources were used.

9. The sources earmarked by the U.S. Government for public investments are included among the financing sources in the work program of the national government. A complete list of contracts showing all pertinent details has been published on various occasions. As of 31 May, the list contained 1,347 approved contracts valued at \$176 million.

10. The reports that have been published always show AID as one of the financing sources and specify the nature of the aid and the amounts involved.

For the reasons cited above, citizens will be able to ascertain that some of the reports appearing in the media are unfounded. As for the economic aid of \$557 million, the use of assigned resources, because of their composition and objectives at hand, does not solely depend on government initiatives. The interests of the private sector in such projects must also be taken into account.

Columnist Criticizes Government, Police Actions

PA1206182792 Panama City LA PRENSA in Spanish
12 Jun 92 p 47A

["What Is Being Said and Done" column by Rainelda Mata-Kelly: "You Reap What You Sow"]

[Text] Unfortunately, we now have to reap the hatred, arrogance, and disorder that the dictators sowed for years in our country.

It seems we have lost the ability to listen and to protest in a constructive way. The courage and the pacifist example of the Civic Crusade demonstrations have not been enough to eradicate from our country the radicals whose sole policy is destruction and terror.

George Bush's visit seems to have unleashed the worst in some sectors of the population.

The government has shown its inability to organize and receive a foreign president without serious incidents taking place. However, I am not in any way saying that all protests must be eliminated so that such a visit can be made. Just the opposite, the efficient handling of protests shows a government's effectiveness and level of control. The right to protest is part of the inalienable freedom of expression. Its repression is a violation of the rights for which we fought for so many years.

Nevertheless, in view of the violence prior to Bush's visit, the government should have controlled the demonstrators in such a way that they would be held back at a prudent distance from Plaza Porras. One block is not a prudent distance.

The police have shown they do not have the least idea of how to control demonstrations without using indiscriminate force. Beating demonstrators and firing birdshot are not solutions. The demonstrators who are violent and destructive and who with their actions are breaking the law, should be arrested. The police can use reasonable force in their own defense. However, when one sees a group of policemen with helmets, protective gear, and shields beating a demonstrator on the ground, one remembers the nightmare of the tactics used by the police under the dictatorship.

What is worse is that a brilliant mind decided to fire a tear gas canister only one block from the stand where Bush, Endara, and other officials were located. One need not be a genius or a scientist to know that the wind changes direction and that, although when they fired the tear gas the wind might be moving away from Plaza Porras (let us give them the benefit of the doubt that they checked to see which way the wind was blowing), there was a very high risk that the wind would change direction, as indeed occurred, and end up forcing the guests and the demonstrators to flee. The panic that followed was potentially more dangerous than any protest.

The M-20 [20 December Movement] has shown it does not care that Noriega is rotting in jail. They are willing to

carry out their fantasies of violence. I must add something: Please, let us admit that there is a group of criminals running around who call themselves the M-20. They exist, whether we call them that name or the "Smurfs" or "Maya, the little bee" [a children's cartoon character]. Hiding our heads in the sand will not make them disappear.

If the government knows who the members are, it is time it does something to stop them. If the government does not know who the members are.... [pauses] There are many people who seem to be very sure about who the members are. A little surveillance and good detective work in such a small country like Panama is easy to carry out and would have good results. Their identification and knowledge of their objectives are essential to stop them. If they are not stopped, we could live for years with their terrorism, as the British, Italians, Colombians, and other people have lived, but that is not a solution.

Panamanian communism, which flagrantly sold itself to the dictators, has shown it lacks any credibility but it is capable of causing headaches for anyone. The student groups it controls will continue to act and they have a right to do so. However, we cannot accept violence as a means of expression.

The PRD [Democratic Revolutionary Party], which did what it pleased and negotiated all it wanted with the North Americans when it was in power, has shown that it will use democracy to try to control the country again. Like the communists, when the PRD was in power, it grew and benefited from the lack of freedom that the dictatorship inflicted on the population. Now that we all enjoy freedom, the PRD takes advantage of freedom to try to induce us to return it to power by making us believe that they are the most anti-American and the most nationalistic people, but they do not deceive anyone.

Regardless of the anti-American feelings that some Panamanians might hold, one does not invite someone to their house to then shut the door in his face. We must understand that well directed diplomacy is more effective than rudeness.

Further on 11 Jun Anti-Bush Demonstrations

PA1506200492 Panama City LA PRENSA in Spanish
15 Jun 92 p 1A

[Article by Manuel Alvarez Cedeno]

[Excerpt] Information gathered by the authorities show that several people opposed to President George Bush's visit fired the first tear gas bombs at Plaza Porras on 11 June. Meanwhile, silence surrounding the responsibility of the National Police in the 11 June incidents continued on 14 June.

An important official source, who requested to remain unidentified, said that before the police action against the demonstrators started, several opposers threw some

tear gas bombs creating chaos and confusion at Plaza Porras. The source added that these tear gas bombs were different than the ones being used by the police. He also added that the mayor of Panama City placed Colonel Eduardo Herrera's brother, Captain Francisco Herrera, in charge of security at Plaza Porras. Capt. Herrera has been charged with alleged involvement in the placing of bombs in Chiriqui in October 1990.

Meanwhile, it was reported that a meeting was scheduled for the evening of 14 June. National Police Director Oswaldo Fernandez, who has just returned from Argentina, Judicial Technical Police Director Jaime Abad, and other important members of the state's security were to attend the meeting.

Rumors of dismissals and resignations at the highest levels in the Government Ministry and National Police were heard on 14 June, however, the rumors have not been confirmed. "We know nothing of resignations or dismissals from the Public Force following the Bush incident," a Public Force officer told LA PRENSA. Meanwhile, at Government Minister Juan Chevalier's home we were told "the minister is at a very important meeting; besides, he does not give telephone interviews, therefore, you must wait until 16 June." The Press Office of the Presidency did not report on the meeting, nor did it reveal if President Guillermo Endara had received the report on the behavior of the policemen during the incidents.

Following the 11 June incident, Panama City Mayor Omayra Correa asked for an "immediate reorganization of the National Police." It was reported that at least seven National Police officers and noncommissioned officers will be dismissed, however, their names have not been announced. [passage omitted]

Opposition Calls for Antigovernment March

PA1506004692 Hamburg DPA in Spanish 2252 GMT
14 Jun 92

[Text] Panama City, 14 Jun (DPA)—From hiding, Panama's nationalist leader Isabel Corro has called for a "black march" on 20 June to protest government persecution of "the patriots" who last week prevented U.S. President George Bush from addressing the country.

Corro, president of the Association of Relatives of Invasion Casualties, telephoned German News Agency (DPA) on 14 June after spending her third day evading an intense search by state security authorities.

Isabel Corro, beaten and arrested on 11 June during the protest of the U.S. president's visit, appeared before two police judges that same evening. The judges ordered her release "in keeping with the law and democratic principles." They stated that justice cannot be an instrument of political persecution. The two officials were fired on 12 June by the entire cabinet of Panamanian President Guillermo Endara for having issued a ruling in favor of Corro.

The clandestine leader told DPA that she will attend the scheduled march on 20 June "to commemorate, together with the people, the ennoblement of the fatherland by rejecting the U.S. president's attempt to speak to a nation where there are public graves of Panamanians, murdered by the order of the genocidal Bush."

Ministers Question Media Access to Noriega

PA1306194192 Panama City Circuito RPC Television in Spanish 1730 GMT 13 Jun 92

[Text] Panamanian Government authorities reacted with surprise to an interview with former General Manuel Antonio Noriega aired by Telemundo. Foreign Minister Julio Linares said he will demand an explanation from U.S. Ambassador Deane Hinton on why someone convicted of drug trafficking can have access to the media.

Surprisingly, in an exclusive interview for the U.S. Cable News Network, Gen. Noriega said that the riots in Panama City show that Panamanians reject the 1989 invasion. Bush arrived in Panama like the Romans visited their colonies, the former Panamanian strongman added.

[Begin Noriega recording, in progress] ...in an insulting manner toward a nation that still has not found all its dead. The American people, through the videos that are being shown on television, should realize they were deceived. However, the U.S. President... [pauses] 50 men—because according to him they were a minority of less than 100—50 men do not make people run. How could that be possible? Someone is lying, because 50 men do not make anyone run, and much less a president who is not only the U.S. President, but the president of the world. [end recording]

On 12 June, during a special Cabinet Council called by President Endara, the ministers were informed of Gen. Noriega's statement, which prompted an immediate reaction from Foreign Minister Linares and Government and Justice Minister Juan Chevalier.

[Begin recording] [Linares] I believe I will have to ask the U.S. Ambassador how can it be possible for the media to have access to someone who is in jail, who is only awaiting his sentence. That is really inconceivable.

[Chevalier] Evidently, money can do wonders, and money from drug trafficking has no end. When one sees the coverage given by the media to a convicted drug trafficker, who at this stage still thinks he can speak with authority in Panama, necessarily one must conclude that he must have paid a lot of money to those news agencies.

[Unidentified reporter] Are you afraid of Noriega?

[Chevalier] Why should I be afraid of Noriega? That man is a coward, he did not even have the courage to surrender to the Panamanians; he surrendered to the gringos, and now he is complaining because he is being

judged by the gringos. Give me a break! Furthermore, he was their employee for 10 years, so what is all the fuss about? [end recording]

Subversive Group Reportedly Hijacks Vehicles

PA1506200192 Panama City EL PANAMA AMERICA in Spanish 15 Jun 92 p 19A

[Report by Otto Mendoza]

[Text] Buses covering the Panama City-Colon route have recently been hijacked by people identifying themselves as 20 December Movement members, it has been revealed by Gilberto Soto, president of the Panama-Colon Transportation Union (Utracolpa).

Soto said the driver's and passengers' jewelry, money, and other belongings were stolen during the last hijacking. He explained the criminals diverted the bus into some bushes in the Canal area. They took the keys and disconnected the radio on the bus.

According to Gilberto Soto, the four hijackers said they were doing it for a just cause—to purchase weapons. He added that the hijackers told the passengers to remain calm and hand over their belongings if they wanted to prevent a tragedy.

The Utracolpa president said there is no police protection in downtown Colon or the outskirts. Soto emphasized another hijacking occurred on 8th Street. The criminals boarded the bus shortly after it reached a bus stop, and they proceeded to rob a small group of passengers.

Soto emphasized eight buses covering the Panama City-Colon route have been hijacked, but the police do not seem to care because they have failed to deploy its forces throughout the city and along the Transisthmian Highway.

It is appropriate to mention the criminals operate at the 16th Street, National Institute of Telecommunications, and Public Market bus stops, where they either arrive in the buses or board them, causing panic.

Free Zone Firms Allowed To Trade With Cuba

PA0606010392 Panama City EL PANAMA AMERICA in Spanish 5 Jun 92 p 8C

[Report by Arnulfo Barroso Watson]

[Text] Colon Free Zone Manager Jaime Ford Lara stated on 4 June that Panama's laws and its commercial system do not prevent any national or foreign companies established in the free zone from doing business with countries currently undergoing economic blockade, such as Cuba.

Mr. Ford Lara's statements came about as result of threats made by Luis Sabines, president of the U.S. Latin Chamber of Commerce (CAMACOL), related to

launching a campaign through the U.S. media against those firms who take advantage of the Colon Free Zone to trade with Fidel Castro's regime.

Mr. Sabines, a Cuban national, stated a week ago in Panama that the Fidel Castro regime is able to resist the U.S. imposed commercial blockade thanks to exports of products from the free zone by Japanese and Korean companies.

Mr. Ford Lara indicated that he disagrees with the Castro regime, which he hopes will fall very soon. However, Panamanian legislation does not include a specific law barring trade with countries under economic blockade, such as the case with Cuba.

According to Mr. Ford Lara, what Panamanian officials can do is to urge national and foreign companies established in Panama not to trade with Cuba for the benefit of democracy.

He also pointed out that other countries, including the United States, trade with Cuba by resorting to undercover practices. According to the free zone manager, the blockade is a U.S. Government matter, not a Panamanian one.

Ford Lara also said that reports related to drug trafficking originating from the free zone to the United

States and Europe are based on groundless information and only serve to tarnish Panama's international image.

Ford Lara said he opposes drug trafficking and would be the first to call for severe penalties for all persons involved in such an activity. But the charges against the Colon Free Zone are being made public without any tangible proof.

Drug trafficking is everywhere, Ford Lara pointed out. At the same time, he warned that restraint should be used in making such serious charges related to possible drug trafficking in the free zone.

Judicial Technical Police (PTJ) sources recently reported that cocaine and heroin were being shipped from the Colon Free Zone to the United States and Europe.

Taiwanese Foreign Minister Visits, Meets Endara

*PA1106235592 Panama City KW Continente
in Spanish 1200 GMT 11 Jun 92*

[Text] Taiwanese Foreign Affairs Minister Frederick Chien visited Panama and met with President Guillermo Endara and ministers of state to discuss topics of common interest and to strengthen bilateral ties between the two nations.

The Taiwanese foreign minister's visit was considered fruitful for Panama's commercial development.

Argentina

South Korean Prime Minister Arrives on Visit

PY1506151092 Buenos Aires TELAM in Spanish
1403 GMT 15 Jun 92

[Text] Buenos Aires, 15 Jun (TELAM)—South Korean Prime Minister Chon Won-sik arrived in the country just after 1030 [1330 GMT] on an official visit, during which he will meet with President Carlos Menem.

Chon Won-sik arrived at Ezeiza International Airport on board a regular Aerolineas Argentinas flight and he was met by Deputy Foreign Minister Fernando Petrella. The Korean minister then left the airport in a car that was waiting for him on the tarmac. He did not speak to the press.

Bulgaria's Zhelev, Delegation Hold Meetings

AU1606095492 Sofia BTA in English 0808 GMT
16 Jun 92

[Report by special correspondent Yordanka Bozhilova]

[Text] Buenos Aires, June 16 (BTA)—Yesterday in the afternoon President Zhelyu Zhelev and the Bulgarian delegation, which includes a large group of Bulgarian businessmen of the state and private sector, had meetings with representatives of different Argentinian associations and organizations.

The leadership of the Union of Armenians in South America expressed the readiness of this organization to give up to Bulgaria all its potential of political, diplomatic and economic connections. It is prepared for comprehensive cooperation and if a Bulgarian-Argentinian Chamber of Commerce is established, it will take part in it.

Offers for concluding specific agreements were made at the meeting with the industrial Union of Argentina which practically unites all Argentinian producers. The Bulgarian side suggested the signing of an agreement between the chambers of commerce of Bulgaria and Argentina, the building up of a computer system for the exchange of offers, the establishment of joint ventures and other initiatives.

The team of the new generation of Bulgarian businessmen, who say that they do not depend on the national budget but have their own companies and represent associations of their own, provided the Argentinian side with detailed information on their activity. The Bulgarians hope that Argentina's attitude to Bulgarian economy and business will be entirely changed and that they will not come back home from Buenos Aires empty-handed.

The meeting with the officials of the Association of Argentinian Farmers was also useful.

President Zhelev met with representatives of the Bulgarian community in Argentina and familiarized them with the new processes in Bulgaria. M.P. [member of Parliament] Mikhail Nedelchev pointed out that one of the elements of Bulgaria's new democracy is the elimination of the old notion of the emigrant who used to be seen as a man having parted with his motherland once and for all, now emigrants are considered to be members of the Bulgarian community scattered beyond borders that are wider than those of the national state.

The Bulgarian delegation had meetings with the chairman of the group for Argentinian-Bulgarian Friendship in the Argentinian Parliament and with Mr. Jorge Sagasti, observer at the elections in Bulgaria in 1990 and 1991.

Mendoza Economy Minister Reports on Cuba Trip

PY1506170092 Buenos Aires Radio Nacional Network
in Spanish 1500 GMT 12 Jun 92

[Report from Mendoza by Carlos Moron]

[Text] Mendoza Economy Minister Roberto Omar Cuevas has reported on his recent trip to Cuba. He said that a commercial agreement to export goods worth \$3 million to Cuba and to import products for a similar amount was signed during this trip. He also reported that an initial shipment of some 200,000 bags of onions will be sent to Cuba in July.

Government Approves Gas Pipeline to Chile

PY1506113692 Buenos Aires BUENOS AIRES
HERALD in English 12 Jun 92 p 1

[Text] The fuels and Mining Secretariat yesterday authorized a group of companies to export gas from Neuquina Basin to Chile and the construction of a transport gas pipeline, in a four-nation project involving an estimated billion dollar investment and gas reserves amounting to some 27 billion cubic metres (up to five million cubic metres per day).

The Union Transitoria de Empresas (UTE) consortium made up of YPF [Government Oil Deposits], Astra, Bidas, Petrolera Argentina San Jorge and Pluspetrol reached an agreement with Chilean companies for the sale, transport and distribution of gas. The agreement is to be completed by a series of side-agreements and an engineering project for the distribution of gas in Santiago de Chile by 1995.

Besides UTE, Snam and Italgas from Italy, Enegas and Catalana de Gas from Spain and Chiletra from Chile are participating in the venture.

The pipeline project still needs a final engineering project and the corresponding financing, conditions which must be fulfilled by February 1993.

With some 27 billion cubic metres of gas at stake, the project represents seven percent of the Neuquina Basin assessed reserves and 3.9 percent of the country's reserves.

The main pipeline will stretch some 818 km, with branches included total pipelaying will be 1,188 km at an estimated cost of 500 million dollars.

Starting from Loma de la Lata in Neuquen, the distribution network costing another estimated half billion will go by the city of Chosmalal to finally provide gas to some 600,000 customers in the Chilean cities of Los Angeles, Concepcion, Rancagua, Santiago and Valparaiso, involving the construction of an extra 4,800 kms of pipelines.

The official announcement of Resolution 61 was made by YPF President Jose Estenssoro at a ceremony attended by Bidas Marketing director Adrian Perez, Petrolera Argentina San Jorge President and Manager Saul Ziporovich and Astra Petrochemical Development Manager Paolo Copertini.

Bolivia

Spanish Prime Minister Meets With President

LD1106131792 Madrid TVE Internacional Television
in Spanish 1830 GMT 9 Jun 92

[Report by Amalia S. Sampedro]

[Excerpt] [passage omitted] The Governments of Spain and Bolivia have undertaken to renew until 1994 the program of global cooperation signed in Madrid two years ago. It is a political declaration by which Spain will continue giving aid for the development of this country which has experienced great economic progress and which enjoys political and social stability. This political declaration does not quantify aid for development, although Bolivia considers that an amount similar to the already granted \$125 million is sufficient. Spanish companies will be invited to take part in feasible development projects.

Felipe Gonzalez and Bolivian President Jaime Paz Zamora acknowledged the danger terrorism and drug trafficking pose to democracies and have decided to coordinate their work to fight these threats. In this context Felipe Gonzalez referred to the latest attack in Madrid, saying that the terrorists do not have a future:

[Begin Gonzalez recording] Since another attack by a terrorist group has taken place, and as always it is terrible, I have to say that we are not going to stop until we see the total elimination of the phenomenon. Therefore, as I have said on more than one occasion, they do not have any hope of benefitting from their terrorist actions. Furthermore, these are not just words. We are showing our policy day after day. I think that they are very aware of this and are acting quite wildly. [end recording]

Signs Joint Statement

PY1106204592 La Paz Television Boliviana Network
in Spanish 0200 GMT 10 Jun 92

[Excerpt] After engaging in broad dialogue, Spanish President Felipe Gonzalez and his Bolivian counterpart, Jaime Paz Zamora, signed a joint statement expressing their will to strengthen the democratic processes in Bolivia and in Spain. Before signing the statement, the visiting under secretaries and some Bolivian ministers and under secretaries analyzed some issues that were then submitted for consideration to both presidents, who reviewed them and approved them.

Among other issues, the statement expresses satisfaction with the progressive creation of an atmosphere of cooperation at the world level, noting the need to strengthen regional and subregional integration efforts in Ibero-America and Europe.

The statement adds that terrorism is a threat to nations and to democracy. For this reason, the two presidents decided to coordinate bilateral efforts and cooperate with democratic countries.

The Bolivian president emphasized the significance of the joint statement, adding that it reflects not only the close ties joining Bolivia and Spain but also their mutually beneficial cooperation.

Paz Zamora also referred to the projects and programs that Spain has implemented in Bolivia. [passage omitted]

Supports Country's Request to WHO

LD1106132192 Madrid RNE International
in Spanish 1300 GMT 10 Jun 92

[Text] Spain and Bolivia have opened a new path for developing their bilateral cooperation over the coming years with the signing of a joint statement during the visit to the Andean country by the Spanish prime minister. The agreement signed is a renewal of the treaty signed in Madrid two years ago under which Spain granted Bolivia \$125 million in credits in aid for the development of several cooperation projects until 1992. During this visit Spain has given public support to the Bolivian request that WHO should study the properties of the coca leaf. Bolivia also has Spain's support for its proposal to set up an economic fund to protect indigenous cultures and to contribute to their development. The Bolivian president is today accompanying Felipe Gonzalez in his visit to Potosi and a boat trip on Lake Titicaca.

Comments on Visit, Leaves for Rio

PY1306122892 La Paz Television Boliviana Network
in Spanish 0200 GMT 13 Jun 92

[Text] Spanish President Felipe Gonzalez left our country today with the best impression for the hospitality given by the Bolivian people. He promised to return soon.

Felipe Gonzalez left for Santa Cruz, where he met for one hour with officials of that department. Upon leaving La Paz he made a brief comment on his visit to our country.

[Begin recording] [Gonzalez] I would just like to say that I was very happy here for the last three days. This is all I would like to say. I am thankful to the Bolivian people, their government, and officials, and I will return soon.

[Unidentified reporter] Will you return?

[Gonzalez] Yes, I will return on a private visit soon.

[Reporter] Did you like Bolivia?

[Gonzalez] Yes, very much. My message is my gratitude because I was treated here like a brother. Thank you. [end recording]

President Jaime Paz Zamora was very proud because of the welcome given by the people to the Spanish president.

The Boeing 737 of the Spanish Air Force took Presidents Paz Zamora and Felipe Gonzalez to Rio de Janeiro, Brazil, where the two presidents will attend the Earth Summit.

Paz Zamora Returns From Rio Earth Summit

PY1506223192 La Paz Television Boliviana Network in Spanish 1700 GMT 15 Jun 92

[Excerpt] President Paz Zamora has returned from the Rio de Janeiro Earth Summit. While there he expressed the Bolivian position on the ecology and environmental protection. After reviewing the troops, the president voiced his satisfaction because representatives of the entire world heard the Bolivian position which can be summarized as follows: The cleanliness of the world should begin in the people's mind. The human being is responsible for the cleanliness and the preservation of the world. President Paz said:

[Begin recording] I stated that it is not possible for a degenerate man to preserve the environment. This was one of Bolivia's first statements during the conference, so that the humanist sense of Bolivia with respect to the environment could be understood. We then submitted our position and proposals in various areas. In the economic field, we raised the question on who was going to pay for environmental preservation. We reiterated the position that we expounded in Geneva on the historical ecological debt. This opinion was confirmed by some presidents.

In the social area, we highlighted the Bolivian proposal made in Guadalajara, Mexico, on the need to create an indigenous development fund for Latin American and Caribbean indigenous peoples. This has become an objective of the Bolivian domestic and foreign policy. In the cultural and psychological fields, I clearly expressed that we Bolivians believe that if we are to clean the planet we must first clean up our own minds.

I expect that message to be delivered to the world; to those of the south, the developing countries; and to the industrialized nations that speak about ecology all the time but do nothing to change the environmental parameters. They must change their way of thinking on foreign trade and the debt; that is, a major change should be made on several aspects.

From the political viewpoint, we discreetly and directly insinuated that ecological wars should not be repeated in the upcoming century like in the present century when we fought for vital space. I referred to Hitler's justification of World War II through the search for vital space. There is a fine line between vital space and ecological space. We hope that sort of thing does not occur in the upcoming century. I think that Bolivia's message was well received and we are satisfied. [passage omitted] [end recording]

Brazil

UK's Major To Mediate With IMF, Paris Club

PY1506164892 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Jun 92

[Text] Prime Minister John Major has stated that Great Britain will support the Brazilian Government's negotiations with private creditor banks. Major thus met a request made by President Collor, who described mediation with the IMF and the Paris Club as decisive. Major praised Economy Minister Marcilio Marques Moreira's economic program and called the Brazilian action courageous.

Mexican President Proposes Common Market

PY1506141692 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Jun 92

[Text] Mexican President Carlos Salinas de Gortari wants to create a common market with Brazil. This initiative may include Argentina, Paraguay, and Uruguay. Gortari said that it is time to leave rhetoric aside and take concrete actions in Latin America.

He said the first step to materializing the idea will be the signing of a general free trade that may take place in the next few months.

President Criticizes 'Attitude of Businessmen'

PY1606003592 Rio de Janeiro O GLOBO in Portuguese 12 Jun 92 p 1

[Text] Discussing the wave of price readjustments prompted by rumors that the government would fix prices in advance, President Collor harshly criticized businessmen yesterday. Collor said that the attitude of businessmen represents a "break in trust with the government," adding that only after this trust is restored will the scheduled meeting of all sectors be held.

The president emphasized that inflation, although high, is under control and gradually declining. Concerning the possibility of a dollarization of the economy, Collor said the government "has already overcome that temptation."

In Sao Paulo, FIESP [Sao Paulo State Federation of Industries] President Mario Amato expressed surprise over Collor's remarks because he is not aware of any recent abusive price increases.

Colombia

Representatives Approve Value-Added Tax Increase

PA1506163192 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1630 GMT 11 Jun 92

[Report by Adriana Ayala]

[Text] The Chamber of Representatives has approved a tax increase, despite predictions to the contrary. The most difficult tax approved is an increase to the VAT [value-added tax]. The VAT will now be applicable to everything except food. Not even the dead will be able to evade the VAT because a VAT for funeral services has now become effective. The same goes for entertainment, deodorants, toilet paper, shoes, and sanitary napkins.

The family basket for a Colombian earning the minimum salary will increase 20 percent given the two-point increase in the VAT. The increase will become effective next year. The tax bill approved by the Chamber of Representatives states there will be no VAT for food and for a short list of 11 manufactured products, such as bath soap, laundry soap, toothpaste, brooms, flashlight batteries, candles, diapers, and school uniforms. The rest of the family basket's basic products will be subject to a VAT.

The long list of articles subject to a VAT include products such as toilet soap, deodorants, sanitary napkins, detergents, sponges, and razor blades—which the finance minister considers luxury items. Aside from the family basket basic products, Colombians will have to pay VAT when they purchase clothes, shoes, notebooks and when they go to the movies or a discotheque. Medical, odontological, hospital, and clinical services, agriculture machinery, and the raw materials to manufacture drugs will not be subject to a VAT. All passenger transportation services, both by land and air, cargo transport services, and education services will also be tax exempt.

[Begin Deputy Armando Estrada recording] We must establish the differences—whether the consumer belongs to the rich sector, middle class sector, or poor sector. For example, approximately 70-75 percent of the products purchased by poor people would be VAT exempt. The consumption and basic products purchased by members of the middle class sector or rich sector represent a minor percentage of their income—so the taxes can be higher. [end recording]

The tax bill was endorsed by the Liberal Party and the New Democratic Force deputies to the Chamber of Representatives, and it was rejected by the M-19 Democratic Alliance and Independent Conservative Party members. The tax reforms will face another tough day on 16 June in the Senate, where there is great opposition to the creation of new taxes.

Approve Increased Income Tax

PA1506164292 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1630 GMT 11 Jun 92

[Text] The Chamber of Representatives has approved a heavy increase in income taxes. Some political leaders, such as Conservative Andres Pastrana, said on 11 June that the country should be grateful to him and the others who approved the reform because the state will now have more money for financing social programs.

Colombians who have revenues less than 310,000 pesos will not have to worry about paying the increased income tax approved by the Chamber of Representatives. The new income tax included in the draft tax reforms is now set at 37.5 percent and will only affect those persons or enterprises having revenues above the aforementioned figure.

For those persons earning a salary, the income tax will be collected through payroll deductions, while for companies and the self-employed the tax will be collected from their income tax statements. According to the draft bill that will be presented before the Senate on 16 June, this is a contribution that will not affect Colombian blue-collar workers.

[Begin Liberal Party Representative Arturo Saravia recording] Nearly 7 million salaried workers who earn less than the amount established for paying taxes are not included. Those who are included will pay a higher proportion of taxes. This is done to acquire the resources the government has requested for coping with social expenses. [end recording]

The 37.5 percent income tax will not affect small farmers and businesses having revenues less than 3.9 billion pesos per year. On the other hand, the tax will affect considerably persons earning more than 1 million pesos per month; they will have to pay nearly 250,000 pesos. This special contribution will be implemented as of January 1993 and will remain in effect until 1997.

Further on New Tax Bill

PA1506171192 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0030 GMT 14 Jun 92

[Text] The new tax bill being studied by the Congress includes a proposal presented by the Democratic New Force [NFD] to alleviate the problems confronted by soldiers who have been wounded in combat and by widows and orphans of those who have died in the struggle against subversion.

The biggest challenge is to rehabilitate the wounded soldier into society once he has lost his mental and physical abilities and to train the widows of soldiers who have died in the line of duty for activities they can perform. The enterprises hiring these people would be eligible to claim a tax deduction of up to 200 percent of the salaries and legal benefits paid to these people.

[Begin NFD Senator Andres Pastrana Arango recording] We propose that the tax reform include a social aspect. We are proposing special incentives for any private enterprises that hire widows of soldiers, policemen, or Armed Forces officers killed during public order operations. [end recording]

The tax deductions would also apply in the cases of spouses of Public Force members who are missing or who have been kidnapped by the enemy. In addition, any taxpayers who make donations to the General Gustavo Matamoros D'Acosta Foundation would be entitled to deducting, for tax purposes, 150 percent of the value of these donations. Thus, this corporation could better educate, train, and rehabilitate the Public Force members affected by the fighting.

[Begin Pastrana Arango recording] I think the proposal seeks to obtain funds that would be handled by the government itself. Any aid that soldiers in this condition receive would not be seen as a public charity action. [end recording]

This initiative seeks to channel the Colombian people's solidarity through the government.

Government Minister on 'Threats' Against Media

PA1606042892 Santa Fe de Bogota Inrvision
Television Cadena 1 in Spanish 2300 GMT 15 Jun 92

[Text] A communique was issued on 15 June, indicating that threats against the media have been starting up again. Although the document's validity has not been confirmed, the Government Ministry has said it is an outright threat against the freedom of expression. Here is Government Minister Humberto de la Calle.

[Begin recording] [De la Calle] We have no assurances of the communique's validity. I would prefer to express my opinion when we know who issued the communique.

[Unidentified speaker] Until the origin or the author of this communique is known, the media is in danger.

[De la Calle] This is serious. In fact, the ELN [Army of National Liberation] had issued a general threat against the media. I call on the Guerrilla Coordinating Board to make it clear to the nation if it is totally and unanimously in agreement with the actions carried out by the ELN in the past few days. [end recording]

Twenty-four hours have passed since the government declared the end of the Tlaxcala dialogues. According to

these former M-19 and EPL [Popular Liberation Army] rebels, the road to peace has not been closed.

[Begin recording] [Alvaro Villaraga, former EPL rebel] We have suggested the creation of a peace commission, but it must have the capacity to debate and participate in the talks.

[Jairo David, former EPL rebel] All Colombians must work toward peace.

[Francisco Marin, former M-19 rebel] Decidedly, peace must come from the efforts to solve social conflicts. [end recording]

* Public Attitudes Toward Gaviria Surveyed

92SM04364 Santa Fe de Bogota SEMANA in Spanish
26 May 92 pp 38-43

[Text] SEMANA is publishing a poll recording how Colombians view the country's situation and how they rate the president's administration.

Starting this week, our magazine will embark on a periodic polling system, in collaboration with the prestigious international firm Yankelovich-Colombia. This is the company that conducts the exclusive opinion polls for the U.S. television news network, CNN, and for TIME magazine.

The purpose of SEMANA's link with Yankelovich-Colombia is to take the Colombian public's pulse regarding various current national issues, in a way that will make it possible to achieve a constant follow-up of the various aspects and to make comparisons over time.

Using opinion polls will supplement press reports on different topics, as well as to compare the decisions of those governing with the opinion of the governed about those decisions.

The poll published in the following pages was taken by means of 1,000 telephone queries aimed at heads of households and housewives from the country's three main socioeconomic classes.

The poll was conducted in the following cities: Bogota, Medellin, Cali, Barranquilla, Bucaramanga, Cartagena, Cucuta, Santa Marta, Manizales, and Ibague.

The surveys were made on 11 and 12 May 1992 and have a margin of error of 2.5 percent. They were prepared by telephone survey personnel properly trained in telephone polling techniques.

The topic selected is the opinion of Colombians regarding the most recent government decisions. Moreover, an attempt has been made to learn the effect of these measures on the citizens' daily lives.

Also recorded is the country's view of the government's image following recent events in the different areas.

General Situation of the Country

1. In general, how would you rate the country's situation today? (in percent; on a scale of 0 to 80)

Good	2.00
Bad	61.40
Fair	36.40
Don't know	0.20

2. During the next 12 months, do you think that the country's economic situation will: (in percent; on a scale of 0 to 60)

Improve	16.80
Worsen	52.00
Remain the same	29.20
Don't know	2.00

Image and Performance of the President

1. In general, do you approve or disapprove of the way in which the president is performing his job? (in percent; on a scale of 0 to 80)

Approve	22.20
Disapprove	66.70
Don't know	11.10

2. The president has been criticized for the extreme youth of some of his collaborators. Do you think that he should surround himself with individuals of greater experience and maturity or continue the same policy? (in percent; on a scale of 0 to 50)

Greater experience and maturity	40.60
Continue the same policy	52.50
Don't know	6.90

3. Do you think that the president is acting correctly or incorrectly in handling the following areas? (in percent; on various scales)

Security	
Correctly	28.60
Incorrectly	49.40
Fairly well	18.60
Don't know	3.40

Economy	
Correctly	17.30
Incorrectly	62.60
Fairly well	17.80
Don't know	2.30

Foreign Policy	
Correctly	47.20
Incorrectly	24.20
Fairly well	18.30
Don't know	10.30

Privatization of State Enterprises	
Correctly	25.80
Incorrectly	46.90
Fairly well	17.40
Don't know	9.90

Relations with Congress

Correctly	24.10
Incorrectly	39.90
Fairly well	20.40
Don't know	15.60
Tax Reform	
Correctly	17.50
Incorrectly	52.20
Fairly well	14.90
Don't know	15.40

Time Change and Energy Rationing

1. The time change went into effect in Colombia on 2 May. Do you think that it has affected the following aspects of your daily life positively or negatively? (in percent; on various scales)

Economic	
Positively	31.90
Negatively	40.10
No change	25.90
Don't know	2.10

Work	
Positively	36.60
Negatively	42.60
No change	18.70
Don't know	2.10

Family	
Positively	40.70
Negatively	36.60
No change	19.90
Don't know	2.80

Security	
Positively	29.00
Negatively	51.40
No change	16.30
Don't know	3.30

School and University Aspects	
Positively	26.50
Negatively	53.00
No change	15.40
Don't know	5.10

2. The country has been exposed to rationing for two months. Do you think that this has been beneficial or harmful to the following aspects of your life?

Economic	
Beneficial	7.80
Harmful	80.10
Don't know	12.10
Work	

Beneficial	10.50
Harmful	79.60
Don't know	9.90
Family	
Beneficial	26.40
Harmful	62.20
Don't know	11.40
Security	
Beneficial	10.30
Harmful	79.30
Don't know	10.40
University and School Aspects	
Beneficial	10.90
Harmful	75.70
Don't know	13.40

* Business Groups View Tax Reform Proposal

92SM0421A Santa Fe de Bogota EL ESPECTADOR
in Spanish 17 May 92 p 64

[Text] The leading economic associations in the country have undertaken the task of analyzing, discussing, criticizing, and—why not?—noting the good, the bad, and the ugly in the tax reform. Here are some of the positions of Fenalco [National Federation of Businessmen], Acopi [Colombian Association of Small Industries], Fedemetal [Colombian Federation of Metal Industries], and ANDI [National Association of Industrialists].

Acopi

The Colombian Association of Small Industries is not at all opposed to tax reform. It is pleased, for example, by the idea of effecting a distribution of the tax burden among the national, departmental, and municipal sectors of the territory.

However, it is opposed to some aspects of the government's approach.

It believes that the economic situation in 1992 requires that domestic demand be encouraged and that any provision that restricts it is a threat to the development of the economy.

This organization reiterates the need to review the macroeconomic goals, because inflation will not exceed 24.7 percent, the exchange media might increase by more than 30 percent, the deficit might represent 0.4 percent of the GDP, and on the basis of these indices, it is possible, without becoming excessive, to reconsider the proposals regarding the rates of exchange and growth.

This organization opposes the tax on gasoline and applauds the elimination of the Rotating Customs Fund stamp tax and the differentiated treatment of domestic and foreign investments.

Concerning the VAT [value-added tax], Acopi's view is that the Congress might well give the president of the Republic the authority to grant exemptions if it insists on expanding the universe affected by this burden. The members of this organization believe that the VAT should not be imposed on such services as the news media.

It supports the treatment accorded the real estate tax but does not agree with the elimination of special treatment in the Nevado del Ruiz and Greater Colombian Merchant Fleet cases.

This organization believes that the important thing is to reduce tax evasion and administrative corruption. It opposes the increase in the VAT and supports the imposition of luxury taxes.

ANDI

The National Association of Industries recognizes that the draft tax reform has some positive features. However, ANDI is critical of the government's alleged intention to collect income far in excess of what it is publicly talking about collecting.

A study drafted by this association indicates that as presented, the tax reform would make it possible to collect 755.448 billion pesos, rather than the 540.281 billion referred to in the justification for the proposal presented.

The concern of these industrialists is that if approved, "taxation would become asphyxiating" in Colombia.

The ANDI document makes a point of showing that tax reform could be less drastic than the government has indicated.

"While some of the measures proposed by the government would produce the desired income, we believe that if all of the proposals were accepted, in addition to obtaining income greatly in excess of what is really needed, we would have asphyxiating taxation," ANDI believes.

The good aspects of the tax reform, according to ANDI, include the following:

- it allows the discounting of the VAT for purchases of fixed assets;
- it eliminates the stamp tax, beginning in 1994;
- it eliminates the taxes on technical services obtained abroad;
- it eliminates double taxation in the measures applicable to industry and trade;
- it establishes a single procedure for all the departmental and municipal taxes;
- it eliminates tax receipts for all of the entities authorized to collect taxes;
- it eliminates double taxation on foreign investments, beginning in the year 2000;
- it expands the base subject to the income tax.

And ANDI summarizes the bad aspects as follows:

- The draft reform seeks to raise the income tax rate;
- to increase withholding at the source;
- to increase advance payments;
- to ignore such necessary special regimes as those for Nevado del Ruiz and the free zones;
- to increase the sales tax;
- to eliminate the assets not subject to the VAT almost totally, in order to make them taxable;
- to charge interest on penalties;
- to increase interest rates on late tax payments;
- to impose penalties for correcting errors, even those disadvantageous to the taxpayer himself;
- to establish unlimited surcharges on taxes on consumption;
- to make it possible for municipalities and departments to collect tolls and taxes on vehicles without any limitation;
- to facilitate the collection of the real estate tax and a surcharge on it by local entities;
- to raise the tax on registration and the recording of additional entries from 11 per thousand to 2 percent of the value of the document or contract in question;
- to increase the gasoline tax excessively.

All of these things, without any doubt, impose "so much of a burden as to hinder the ability to compete in the current and the new markets."

Fenalco

The National Federation of Businessmen is one of the business associations that has been most critical of the tax reform, because it believes that it works against the generation of wealth and jobs and encourages inflation.

The criticisms of this organized trade association are mainly directed against the government's proposed increase in the VAT and its desire to establish an antitax-evasion statute.

In addition, this group believes that the figures set forth by the government in the justification for the proposal are not at all accurate and that the intention is to collect a great deal more than has been indicated.

"With the tax reform, the decline in productive activity would be widespread. The construction industry, for example, which is just beginning to emerge from a prolonged crisis, would be dealt a harsh blow because of the establishment of a whole flood of taxes. According to a Fenalco document titled "The Challenges and Alternatives in Economic Policy," "The industry would suffer from the impact of higher real estate taxes, the VAT on all kinds of services (engineering, for example), the VAT on the sale of essential supplies, the VAT on leases, the VAT on the purchase and sale of construction materials, and widespread and increasing withholdings at the source.

The contention in this analysis is that the VAT will affect the price of popular or mass-consumption products

whenever this tax is extended to raw materials. "It is logical that processed foods will be subject to an increase that will not be negligible."

Although Fenalco supports control of tax evasion, it notes that the statute proposed to penalize this action calls for the imprisonment not just of violators, but also of board members, family members, and even third parties with some connection with the tax evasion in question.

Fenalco goes on to say that the statute provides that the state can even place a cash register in a businessman's premises and can collect the tax on just a few days' sales. This will be used as a basis for determining and projecting real sales levels so as to establish the tax and penalty amounts to be collected.

Fedemetal

Although the Colombian Federation of Metal Industries recognizes that there are justifications for the tax reform, it also says that this is yet another means of changing the rules of the game for businessmen, as has already been done through the elimination of the gradual approach to the policy of openness and the acceleration of integration, particularly with Venezuela.

With regard to the VAT, this organization expressed the view that the 38 percent and 35 percent levels advocated in the government proposal are excessive and, if approved, would lead to a distortion in the functioning of the economy.

In addition, this organization believes that the draft tax reform would result in a decline in the demand for manufactured goods and would make domestic products less competitive, thus favoring the smuggling of goods from the neighboring countries.

This organization believes that a general VAT equivalent to 14 percent would be suitable.

According to this federation, the most positive aspect of the proposal is the establishment of the base subject to the income tax and the elimination of the assessments imposed on technical services and similar assistance obtained from abroad. It also approves of the elimination of the supplementary remittance tax on these same services when rendered in the country, as well as payments on royalties, because these assessments increase the cost of obtaining technology and do not contribute to generating it within the country.

This federation believes it essential for tax reform to reflect the need for technological change and scientific development.

* Problems in Agricultural Sector Addressed

* Small Farm Credit Raised

92SM0420A Santa Fe de Bogota EL TIEMPO
in Spanish 13 May 92 pp 1A, 8A

[Text] The government announced measures designed to increase credit for small farmers by 60 billion pesos, raise from 60 percent to 70 percent the rediscount rate for loans for working capital, and reactivate the banking operations of the Agricultural Credit Bank through promotion of its loan placements.

The announcement was made by Agriculture Minister Alfonso Lopez Caballero in the Third Commission of the Senate, where he had been called to explain the administration's agricultural-livestock policy.

The additional funds for the increase in credit come from a rise from 1 to 2 percent in the Class A Securities required as obligatory investments for banks and financial corporations. These funds will be allocated exclusively to small farmers.

Lopez Caballero said that no one in the government is considering liquidating the Agricultural Credit Bank, and he stated that if, for reasons of national or social sovereignty, it is necessary to maintain the offices or field stations of the bank in remote areas, the Ministry of Agriculture is willing to do so.

He said that it is not true that the World Bank is exerting pressure on the government to close 400 Agricultural Credit Bank offices in exchange for approval of a \$300-million credit for the Finagro [Agricultural-Livestock Financing Fund].

"We are not operating under criteria imposed by the World Bank, nor has that institution made extravagant requests. What they are asking are guarantees of responsibility for the loan," the official said.

He added that it is not true that there is a general crisis in the agricultural-livestock sector. "At the moment, 25 percent of the agricultural-livestock gross domestic product, composed of only two activities, is safe. There are other sectors, such as fruits, that have good prospects in the external market."

The minister of agriculture recognized that a crisis exists in other areas of rural production, and he indicated that the government is studying the situation in order to take the appropriate steps.

With regard to complaints of a possible violation by Venezuela of bilateral agreements on free trade, the minister said that the Colombian government remains alert to this situation and is ready to intervene. "In that case, products that can not be controlled will have to be

included in the list of exceptions, which is to say that their customs preferences agreed upon by the two countries will be revoked."

Regarding the Agricultural Credit Bank, Lopez Caballero said that the entity has had an excess of liquidity recently, and as a result "is going to initiate a program to promote loan placements in critical areas".

Special Treatment

In his turn, the President of the Association of Colombian Farmers, Jaime Cordoba Zuluaga, emphasized the need to give the sector special treatment within the bounds of economic policy.

The association leader summarized the points that the farmers consider to be critical and that must be taken into account for a solution to the crisis.

"In the first place, the real rate of exchange must be kept at levels that do not affect the productive sector. Fair treatment must be accorded to legal exports, eliminating discounts on certificates of exchange and increasing controls on foreign exchange of doubtful origin.

"Export stimulation programs that were eliminated, such as the Tax Reimbursement Certificate, should be reinstated."

* Some Farmers Face 'Ruin'

92SM0420B Santa Fe de Bogota EL ESPECTADOR
in Spanish 14 May 92 p 11A

[Article by Ramiro Guzman Arteaga]

[Text] Thousands of farmers in the Department of Cordoba face total ruin as a result of the lack of incentives to compete in the international market, debts contracted during the last cotton crop, and lack of incentives for the corn and sorghum crops.

The situation was discussed in the course of a meeting held by organizations including Fenalce [National Federation of Cereal Growers], Copiagro [expansion not given], and Coagrocor [expansion not given], in the headquarters of Asosinu [expansion not given].

The association leaders, who met in the center of the problem area, await measures by the government and have made a joint appeal to Minister of Agriculture Alfonso Lopez Caballero for the establishment of a definite policy on the situation that would resolve the crisis that seriously affects this sector of the national economy.

The plight of the farmers was expounded in a communique in which the following concerns were expressed:

- The internationalization of the economy imposed on our country by the International Monetary Fund, the International Development Bank, and the World Bank has caused enormous damages to farmers, faced with competition under unfavorable conditions with foreign producers, who are inefficient but are subsidized by their respective countries.

- Our only "life preserver" over the short term is the regulatory action of IDEMA [Agricultural-Livestock Marketing Institute], which must increase minimum guaranteed prices, and the government must provide it with sufficient funds to buy our sorghum and corn crops to avoid the actions of unscrupulous intermediaries.
- Due to poor market conditions as a result of the so-called "economic opening," we have not been able to pay off our bank debts, and therefore there have been no loans for the sorghum and corn crops. We ask the government to intervene with a loan extension so that we can return to soft development credits for agricultural-livestock activities.
- The government must save the Agricultural Credit Bank and turn it into a real bank for agricultural-livestock development. The peasants cannot be deprived of the seed-production services.
- We have turned Cordoba into the country's principal producer of basic products, contributing 38 percent of the production of sorghum and 28 percent of corn production. We do not want this land to become a center of unemployment.
- We want to highlight the lack of incentives for the production of foodstuffs, which will eventually bring about an enormous increase in the cost of the family food basket, causing a famine in the population, which will have a high social cost and repercussions in public order.

* Bank's Financing Viewed

92SM0420C Santa Fe de Bogota EL ESPECTADOR
in Spanish 14 May 92 p 9A

[Text] Declaring that the problem of the Agricultural Credit Bank cannot be put off, Minister of Finance Rudolf Hommes announced that "we will use the national budget" to capitalize it.

He stated that the minimum capital needed by the financial institution to operate is 110 billion pesos. However, about 140 billion pesos will be provided.

This sum will include the payment of 32 billion pesos that the government had promised to pay for the voluntary retirement program, which 4,500 employees took advantage of last year.

He explained that the funds will not be turned over in a single lump sum, but will be distributed over the course of two or three years.

Hommes recalled that the initial plan was to allocate to the bank some 110 billion pesos derived from the privatization of state-owned banks, but he explained that this operation would take too long.

The official testified yesterday before the Fifth Commission of the Senate, along with his colleague, Minister of Agriculture Alfonso Lopez Caballero, who said that this year he expects the bank to enter into a "period of positive convalescence".

As for office closures, the finance minister said that studies are in progress to determine which offices produce losses. The goal is to retain those that are located where there are no other sources of credit for producers.

We said that to keep open the latter will cost about 6 billion pesos each year, an amount the government can assume with help from the national budget.

He pointed out that the main problem is not the remote offices, but rather some 30 or 40 unprofitable offices, many of which are located in urban areas. The reasons for these offices' lack of profitability have not yet been determined.

Bad Results

According to the minister of agriculture, the Agricultural Credit Bank lost 90.4 billion pesos in 1991.

The accumulated losses came to 43.9 billion pesos in 1990 and 133.4 billion pesos in 1991.

Of the 530 billion pesos in the bank's portfolio, 25.6 percent are due. This amounts to 140 billion pesos.

Faced with this situation, Minister Hommes said that he does not disavow his statement to the effect that what is needed is a good banker who knows how to collect debts. This view caused the resignation of the bank's previous manager, Carlos Murgas Guerrero.

Support Plan

Following the debate in the Senate, both ministers and the Chief of National Planning, Armando Montenegro, met with leaders of the agricultural associations to explain the support measures that will be adopted to remedy the national agricultural crisis.

The plan includes the following points:

- The VAT [value-added tax] will not be applied to materials used for agricultural production as of the next semester.
- The fund for guarantees will begin to operate in order to facilitate access to credit for small producers.
- The budget for credit availability will rise by 60 billion pesos by means of the announced increase in bank investments in Class A Securities.
- Revision of the antidumping statute will be initiated to prevent the entry of subsidized goods into the country.
- A meeting will be held with Venezuelan authorities and producers to reach agreements preventing the application of unequal customs duties.
- Finagro [Agricultural-Livestock Financing Fund] will increase the rediscount rate to financial institutions to stimulate credit intermediation to rural producers.
- The Agricultural Credit Bank will accelerate loan placements in the most critical areas.

* More Credit for Farmers

92SM0420D Santa Fe de Bogota EL TIEMPO
in Spanish 17 May 92 p 6A

[Text] This year's credit program for peasants was reinforced by increasing it from 110.49 billion pesos to 230.69 billion pesos. This new level included the transfer to small producers of 36 billion pesos that were part of a line of credit initially allocated for medium and large producers.

The increase also included the 15.3 billion pesos generated by the sale of shares held by the Agricultural-Livestock Financing Fund [Finagro] in the Livestock Bank.

The measures were adopted Friday, 15 May, by the Board of Directors of the Bank of the Republic.

The initial budget for agricultural-livestock credit was 662 billion pesos, of which 192 billion correspond to the line of 'bonos de prenda' [notes issued for loans against materials in warehouses], a mechanism used for crop storage and bank credit through general deposit warehouses.

In February, the initial budget was increased by an emergency credit for 36 billion pesos, and last week Agriculture Minister Alfonso Lopez Caballero announced the allocation of 60 billion more from Class A Securities by which banks and financial corporations will increase their obligatory investments from one to two percent.

These funds (Class A Securities) are exclusively for small farmers.

The total amount of credit for peasants, adding the adjustments made during the course of this year, comes to 230 billion pesos.

Funds for medium and large producers amount to 290 billion pesos, after subtracting the sum transferred to small producers, decided by the Board of Directors of the Bank of the Republic.

Last week, the government also increased the rediscount rate for working capital credits from Finagro from 60 to 70 percent, to make intermediation by banks more attractive.

In other words, earlier, if a bank loaned 100 pesos for planting, Finagro provided 60 pesos and the banks and corporations had to supply the other 40 pesos. Now, the proportion is 70 to 30.

The government believes that these changes will increase the availability of investment and working capital for small agricultural and livestock producers, in order to raise food production and counteract pressures for price increases.

At the same time, the Presidency of the Republic decided to change the date for the celebration of the Day of the Peasant from 4 June to 4 July.

The decision reflects the fact that the traditional June date for celebrating the occasion coincides with the taking of office of the new mayors, and therefore neither the incoming nor the outgoing mayors would be able to give due emphasis and importance to the celebration.

Paraguay

Chilean President Aylwin Arrives 10 Jun

PY1106120092

[Editorial Report] Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish at 2001 GMT on 10 Jun 92 carries live coverage from the Asuncion international airport of the arrival of Chilean President Patricio Aylwin on an official visit to Paraguay.

President Aylwin is met at the foot of the stairway by his Paraguayan counterpart Andres Rodriguez.

The Paraguayan and Chilean national anthems, accompanied by a 21-gun salute, are played and the presidents are invited to review the troops.

After receiving the key of Asuncion from Asuncion Mayor Carlos Filizzola, Aylwin is introduced to local government authorities. After introducing the members of his entourage to President Rodriguez, Aylwin boards the car that will transport him to the presidential residence where he will stay during his visit.

Delivers Speech to Congress

PY1506233192

[Editorial Report] Asuncion NOTICIAS in Spanish on 12 June on page 6 carries an item on Chilean President Patricio Aylwin's visit to Paraguay and on the speech he delivered to the Paraguayan Congress where a joint session was held in his honor.

Aylwin told the congressmen that "integration is essential in the task of leaving underdevelopment." He added that "Congress is the very heart of democracy" and that it is impossible to conceive a democracy without a free legislative branch. He also referred to the need to gradually coordinate the development policies of countries of the region, making them harmonious and compatible. He referred to the problem of poverty, saying that defeating this problem is one of the major challenges for our countries at the doorsteps of the third millennium.

The same newspaper on 12 June on page 3 carries passages of the joint declaration signed by Chilean President Patricio Aylwin and Paraguayan President Andres Rodriguez at Government Palace. Present at the ceremony were Paraguayan Foreign Minister Alexis Frutos Vaesken, his Chilean counterpart Enrique Silva

Cimma, and civilian and military officials. The declaration stresses the "supplementary economic agreement that will regulate the overall economic-commercial relations within the framework of ALADI [Latin American Integration Association]." It also stresses the importance of the Rio Group as a permanent mechanism for consultation and political agreement and as a valid regional interlocutor on the world stage.

In their declaration, Aylwin and Rodriguez reject "all forms of violence and terrorism that jeopardize democracy and law." They agree that "problems resulting from poverty affect both the developed and developing nations, degrading the human being." They also express their desire to "intensify reciprocal cooperation at bilateral and international levels to fight the serious scourge of drugs and psychotropic substances in the region."

Asuncion NOTICIAS on 12 June on page 2 carries a summary of a news conference granted by Aylwin and Rodriguez, during which both stress the importance of this meeting for future Chilean-Paraguayan relations. Referring to the current setbacks of the democratic processes in some Latin American countries, the Chilean president said that democracy has no guarantee because there are sectors of society being ignored and not getting answers to their essential needs. Rodriguez warned that if the militants return to politics and if they happen to win in clean, open, and democratic elections, they could grant former President Stroessner safe return to the country to head their movement.

The same day on page 2, NOTICIAS carries an article referring to the mutual decoration of the two presidents. Aylwin was awarded the Collar of Marshal Francisco Solano Lopez, while Rodriguez was awarded the Collar of the Order of Merit of Chile. During the ceremony the Chilean president said that after years of "intransigence, polarization, and ideological abuses, we now understand that the best way to solve the great national problems is through dialogue, negotiation, and consensus."

Aylwin went on to say that within the process of cooperation within Latin America, Chilean companies are making important investments in neighboring countries, thus showing the importance given to the Latin American market.

Rodriguez answered that integration is conceived as an ideal which is worth fighting for courageously and serenely. "This is a difficult task that needs political, democratic, and dynamic handling, with broad popular support."

The same newspaper on 12 June on page 3 carries an item on the two agreements on technical and scientific cooperation and on the prevention of double taxation concerning air and land transport signed by Chilean Foreign Minister Enrique Silva Cimma and his Paraguayan counterpart Alexis Frutos Vaesken.

Ends Visit, Leaves for Rio

PY1206191292 Madrid EFE in Spanish 1409 GMT
12 Jun 92

[Text] Asuncion, 12 Jun (EFE)—At the end of his three-day visit to Paraguay, Chilean President Patricio Aylwin left today for Brazil to attend the Earth Summit, which is being held in Rio de Janeiro. Aylwin departed at 0955 local time (1355 GMT). President Rodriguez, who was also scheduled to leave for Rio de Janeiro a few minutes later, bade farewell to his Chilean counterpart at the Asuncion airport.

Government, ROK Initial Extradition Treaty

SK0606000192 Seoul YONHAP in English
2339 GMT 5 Jun 92

[Text] Seoul, June 5 (OANA-YONHAP)—South Korea and Paraguay initialed an extradition treaty for people guilty of crimes punishable by one year or longer in prison, the Foreign Ministry said Saturday [6 June].

The treaty was initialed in Asuncion by Kim Un-su, director of the Foreign Ministry's treaties division, and Luis Enrique Plate, legal adviser at the Paraguayan Foreign Relations Ministry.

According to the treaty, criminals punishable by one year or longer in jail are extraditable. Political offenders are excluded except for terrorists and those guilty of crimes against the state or the national leader.

Economic offenders are also extraditable under the treaty.

Uruguay

Russia Agrees To Pay Soviet Debt, Interest

PY1506141292 Madrid EFE in Spanish 1941 GMT
12 Jun 92

[Text] Montevideo, 12 Jun (EFE)—Uruguay will receive \$10.5 million from Russia in payment of a debt, including interest, that was contracted by the Soviet Union for the purchase of wool and associated products from Uruguayan businessmen.

Official sources indicated that \$1.7 million of overdue interest will be paid in July and the other \$8.8 million will be paid by the Russian importers in four six-month installments with a yearly interest rate of 7.1 percent.

The disappearance of the Soviet Union caused doubts in Uruguay about the possibilities of being paid for merchandise that had already been handed over until Russia assumed a large part of the international responsibilities of the dissolved USSR.

Moreover, diplomatic negotiations were necessary with the Soviet Embassy in Montevideo, and a special delegation of the Trade Secretariat had to travel to Moscow to achieve a promise of payment.

Armenia's Ter-Petrosyan Concludes Official Visit*NC1106092592 Yerevan Armenia's Radio First
Program Network in Armenian 1730 GMT 10 Jun 92*

[Text] Armenian President Levon Ter-Petrosyan concluded his official two-day visit to Uruguay. Ter-Petrosyan visited the country's Supreme Court on 9 June and met Montevideo's mayor, who handed him a symbolic key to the city. He placed wreaths at the monument to the Uruguayan national hero Jose Artigas [words indistinct].

In the afternoon the Armenian president met representatives of the local Armenian community. Uruguay's Armenian community, which numbers nearly 12,000, is not the largest in Latin America. There are 620,000 Armenians in Argentina and 35,000 in Brazil. Despite their small number, Armenians are very influential in Uruguay, which has a population of 3 million. Armenians occupy effective positions in business, law, health, and education.

The Armenian president flew to Buenos Aires on 10 June. There he will meet President Carlos Menem of Argentina. Armenian Foreign Minister Raffi Hovannisian stated that three documents will be signed during the visit: general agreements on friendship and cooperation between the two countries, cooperation between the Foreign Ministries of Armenia and Argentina, and development of bilateral cultural ties.

After concluding his visit to Argentina, Levon Ter-Petrosyan will leave for Brazil to take part in the UN Conference on Environment and Development. The conference is being held in Rio de Janeiro with the participation of the heads of states and governments.

In Rio the Armenian president is to meet with Brazilian President Fernando Collor.

Bulgaria's Zhelev Arrives, Meets Armenian Leader*AU1106063792 Sofia BTA in English 2109 GMT
10 Jun 92*

[Text] Montevideo, June 10 (BTA)—Bulgarian President Zhelyu Zhelev, who arrived on an official visit here late last night, started his scheduled meetings today. Before Uruguay, Dr. Zhelev visited Venezuela.

Today Dr. Zhelev laid a wreath at the monument of Uruguay's national hero General Jose Artigas. At a ceremony at the mayor's office later on he was given the freedom of the city. Later today President Zhelev will hold talks with Uruguay's vice president and President of Parliament Dr. Gonzalo Aguirre Ramirez, he will meet with parliamentarians and will visit the Supreme Court.

At the ceremony at the mayor's office President Zhelev stressed that the shared love for national independence and freedom unites two small countries like Bulgaria and Uruguay. Due to this they can do much for stability in

the world. Bulgaria is emerging from the communist era and is effecting a transition from a centrally planned economy and totalitarianism to a market economy and democracy in the conditions of civil peace. It has won a name for social and political stability in the Balkans.

"We believe that the intervention of the EC, the United Nations and NATO will restore peace in the former Yugoslavia," Dr. Zhelev said.

President Zhelev sets great store by economic relations between Bulgaria and Uruguay. The agreements signed by the former regime were formal and nothing was done under them, he said and expressed his hope that the agreements which will be signed now will help develop active and strong economic relations. He also expects political and cultural contacts to expand. This will bring Bulgaria and Uruguay closer together despite the geographic distance between them.

This morning Dr. Zhelev met with Armenian President Levon Ter-Petrosyan who is also visiting Uruguay, a special correspondent of Bulgarian Radio reported. Foreign Ministers Stoyan Ganev of Bulgaria and Raffi Hovannisian of Armenia attended the meeting. President Zhelev was pleased with the first meeting at the level of presidents of the two countries. The Armenian president said he will make an official visit to Bulgaria.

Mr. Ganev said after the meeting that the sides agreed to open embassies in Sofia and Yerevan. He stressed Bulgaria's view that Black Sea cooperation, in which Armenia is showing interest, will play an important stabilizing role in the region.

The two presidents discussed the situation in the Balkans and the former Soviet Union. They stressed that the former Soviet Union has managed to avoid the worst option, which was chosen by Yugoslavia. It was agreed that Bulgarian and Armenian economic delegations will exchange visits to study possibilities for economic and trade cooperation. The sides also exchanged their views on the so-called triangle operations in which Armenia is showing interest.

Tomorrow Dr. Zhelev will meet with Uruguay's President Luis Alberto Lacalle Herrera, while Foreign Minister Ganev and Mikhail Nedelchev MP [member of Parliament] of the ruling Union of Democratic Forces will meet with government officials to discuss bilateral political, economic and cultural cooperation.

The businessmen in the delegation have a separate schedule. They will establish business contacts and will discuss the drawing up of bilateral agreements which can serve as a bridge for Bulgaria to the Southern Common Market with its head office in Montevideo.

Explains Stand on Moldova, Macedonia*AU1106101192 Sofia BTA in English 0933 GMT
11 Jun 92*

[Yordanka Bozhilova report: "President Zhelev in Uruguay"]

[Text] Montevideo, June 11 (BTA)—President Zhelyu Zhelev, who is on an official visit here, and his party yesterday afternoon held a one-hour meeting with Uruguayan Vice-President and President of Parliament Dr. Gonzalo Aguirre Ramirez. The meeting was also attended by Senator Juan Carlos Blanco and MP [member of Parliament] Francisco Rodriguez Camuso, representatives of the Foreign Affairs Committees with the Uruguayan Senate and the Chamber of Representatives.

At the talks Dr. Zhelev familiarized his hosts with the changes underway in Bulgaria. The Uruguayan side showed special interest in Bulgaria's position on the developments in Moldova and Macedonia. The Bulgarian president stressed that Bulgaria declared itself for the "inviolability of borders, when it recognized the sovereignty of the four former Yugoslav Republics on 15 January 1992," the president's spokesman announced.

The Uruguayan side displayed keen interest in the Bulgarian Government's decision to restore the Bulgarian Embassy in Montevideo, thus, according to MP Mikhail Nedelchev, correcting "one of the last foolish steps of the last communist government."

President Zhelev and the attending party visited the Supreme Court later on. In his welcoming speech Dr. Rafael Adiego Bruno, president of the Supreme Court of Justice, said that Bulgaria, known as "the country of roses," is emerging from the totalitarian night guided by its wish to build democratic institutions and by the awareness that the time has come for a new emancipation after the failure of the collective 45-year experiment. Dr. Adiego Bruno emphasized the role of President Zhelev in Bulgaria's "dramatic revival." For his part, Dr. Zhelev said that the collapse of communism is fraught with as many dangers as its existence as a real political and economic system, and small countries like Bulgaria and Uruguay can do much to advance the building of a democratic world.

Vice-President Gonzalo Aguirre Ramirez gave an official dinner in honour of the Bulgarian guests.

In the afternoon the Bulgarian businessmen accompanying the official delegation met with their Uruguayan colleagues.

Today will see the centerpiece of the visit to Uruguay: Dr. Zhelev's meeting with President Luis Alberto Lacalle Herrera, as well as parallel talks between the Bulgarian and the Uruguayan delegations, the signing of final documents and a news conference. At 16 hrs. local time the Bulgarian delegation will leave for Rio de Janeiro, the third leg of Dr. Zhelev's South American visit.

Ends Visit, Expresses Satisfaction

AU1106203092 Sofia Khristo Botev Radio Network
in Bulgarian 1730 GMT 11 Jun 92

[Text] Today the Bulgarian delegation led by President Zhelyu Zhelev ended its official visit to Uruguay. A

meeting of the heads of state took place, while at the same time the members of the Bulgarian delegation held final talks with their Uruguayan counterparts. At a joint news conference held today, Presidents Zhelyu Zhelev and Luis Alberto Lacalle expressed their satisfaction with the results achieved during the three days of the visit.

This evening the Bulgarian delegation will depart for Rio de Janeiro, the third stage of the Bulgarian president's South American tour.

Deputy Makes Charge Against Peruvian Ambassador

PY0606233492 Madrid EFE in Spanish 0244 GMT
4 Jun 92

[Text] Montevideo, 3 Jun (EFE)—Today Uruguayan Foreign Minister Hector Gros Espiell stated that the espionage charge leveled by an Uruguayan deputy against Peruvian Ambassador to Uruguay Roger Loayza "is a serious personal problem that does not affect the diplomatic relations between the two countries whatsoever."

On 2 June, Deputy Juan Raul Ferreira, a member of the ruling National Party, accused the Peruvian diplomat in Congress. Loayza is accused of intercepting a letter sent to Ferreira's father, Wilson Ferreira Aldunate, from Montevideo to Lima in 1974 through the Peruvian diplomatic pouch.

At that time Uruguay was ruled by a military regime (1973-85), and former National Party leader Ferreira Aldunate, who died in March 1988, was exiled in Peru.

Ferreira said that a letter sent by party members from Montevideo through the Peruvian Embassy was photocopied and delivered to the military intelligence services, a fact that reportedly led to the arrest of various National Party members.

On 2 June Gros Espiell reported the case to the Senate and the Chamber of Deputies Foreign Affairs Committees and asked that his statements be kept secret and not included in any document "because of the strict diplomatic confidential nature."

He said that Loayza "was summoned by his government for consultation and that the appropriate diplomatic contacts will be made in due time to clarify the ambassador's situation."

Ferreira said: "I have no interest in arguing with Loayza because this incident has been overcome."

He added: "Loayza is involved in a very ugly incident that his father already had denounced. There is the possibility that Loayza will not return to Uruguay. I think this fact will positively benefit bilateral relations, but it is not up to me to make such a decision."

In Lima, Loayza rejected the charges of political espionage and stated that he will request "a strict investigation in order to clarify the case."

Asylum Offered to Peruvian Politicians

PY0906020492 Madrid EFE in Spanish 1939 GMT
8 Jun 92

[Text] Montevideo, 8 Jun (EFE)—Official spokesmen announced today that Uruguayan Foreign Minister Hector Gros Espiell has stated that the Uruguayan Embassy in Lima will grant political asylum to Peruvian politicians if they request it, but not to Shining Path terrorists.

Following the Colombian Government's decision to grant diplomatic asylum to former Peruvian President Alan Garcia last week, the Uruguayan Ambassador to Peru Miguel Semino consulted with Gros Espiell on the attitude to adopt in a similar case.

Gros Espiell said: "I told the ambassador that those requesting asylum should be received at the embassy in keeping with respect for the unchanging Uruguayan tradition of granting political asylum to those who request it for political reasons." He made these remarks during a briefing to the International Affairs Committee of the Uruguayan Congress.

Semino has reported to the Uruguayan Foreign Ministry on the possibility of asylum requests by former ministers of Garcia's administration who could be prosecuted on charges of embezzlement. He also asked about the attitude to be adopted in case some Shining Path terrorists request political asylum.

Gros Espiell said: "Uruguay does not consider terrorists to be political criminals; consequently, they will not be granted political asylum if they request it."

Gros Espiell headed a OAS delegation that held negotiations with Peruvian President Alberto Fujimori last month in an effort to restore the republican democratic system in Peru.

Spain is taking steps to extradite 13 Basque Fatherland and Liberty members who were arrested in Uruguay. They will reportedly request political asylum in the next few days, but Gros Espiell has already stated that he disapproves of a decision to grant them asylum.

ETA Agreement With Intelligence Agency Viewed

PY0806024492

[Editorial Report] Montevideo BRECHA in Spanish on 29 May publishes on page 2 under the headline "The Closed Circus" an article on the activities of the Basque Fatherland and Liberty, ETA, group in Uruguay. The authors, Carlos Amorin and Samuel Blixen, report that the administration of former President Julio Maria Sanguinetti "had a confidential agreement with Spain to monitor the ETA militants without touching them."

The article states that "in April 1991, Basques from La Trainera," a Basque restaurant in Montevideo, "reached an agreement with Military Intelligence Agency officers" in which the agency would leave "the group alone as long as the Basques devoted themselves solely to commercial activities." The authors report that President "Lacalle broke the agreement for domestic reasons, launching Operation Lizard" to destroy an alleged ring of terrorist organizations in the country, but he found himself "involved in a foreign conflict characterized by a dirty war where separatist terrorism is opposed by state terrorism."

The article reports further that Interior Minister Juan Andres Ramirez and almost all other ministers visited La Trainera in the past year without expressing any fear, and the authors state that this "can only be explained by assuming that the Basques were completely cleared a year and a half before."

The authors report that "among the group that was arrested two weeks ago, the first Basque arrived in Uruguay on 7 July 1988" and that "Spanish Security Secretary Rafael Vera immediately notified officials within Julio Maria Sanguinetti's government of this." The article states that Vera concluded "a not very orthodox agreement" with the government through which Uruguay was to monitor the "retired militants" discretely, "without acting against them."

The article then reports that "an attack on a newspaper distributor in Montevideo, presumably by Ricardo Perdomo," a Tupamaro National Liberation Movement militant who was emotionally involved with a Basque militant, "changed the situation." It states that a Military Intelligence Agency representative met with the leader of the Basque group, obtaining assurances that the Basques wanted to live in peace in Uruguay.

The authors state that nevertheless, the government asked Interior Minister Ramirez to carry out Operation Lizard because it no longer had "a believable answer for police inefficiency in clarifying recent bomb attacks" in Montevideo and "because the attacks on former President Sanguinetti's studio and a bomb at Las Minas Bridge indicated" that terrorist violence in the country was increasing.

The article concludes that the "comedy" of Operation Lizard came to light when Spanish security officials came to Montevideo to ascertain that the Basques were linked with terrorist activities in Spain but discovered that "most of those arrested no longer had anything to do with the ETA." This was apparent because the identity documents given to the Basques by the Uruguayan police and military intelligence records showed that they did not have anything to do with recent terrorist attacks in Spain.

Defense Ministry Denies Secret Pact With ETA

PY1006003692 Montevideo EL PAIS in Spanish
30 May 92 p 9

[Text] The Defense Ministry Public Relations Office has issued a communique denying recent press reports that speculated on the existence of an alleged "secret pact" between the military intelligence services and the Basque Fatherland and Liberty, ETA, terrorist group. The communique states:

"In light of a press report on an alleged secret pact between the military intelligence services and ETA members to grant impunity to those involved in the latest incidents in Uruguay, the Defense Ministry hereby states:

"1. That the contention included in the press report is absolutely false and that it only seeks to confuse the public.

"2. That the Uruguayan Armed Forces have never protected ETA members.

"3. That the Interior Ministry conducted the investigation and placed at the disposal of the court those involved in criminal actions in Uruguay and that the existing laws were rigorously observed without exception to punish local or foreign criminals in keeping with the government's common procedure."

Army Members Depart for Cambodian UN Force

PY1506140692 Montevideo Radio El Espectador
Network in Spanish 1000 GMT 15 Jun 92

[Summary] Weather conditions delayed the departure of the first contingent of the Uruguayan Army to Cambodia, where the Uruguayan soldiers will join the UN peacekeeping force. This initial contingent was very small: only five men, accompanying a shipment of equipment, took off at 0200 local time on 15 June. According to an Army bulletin, the rest of the 750 men and equipment will leave very soon.

Venezuela

Perez, Canada's Mulroney Discuss Relations

PA1506221592 Caracas Venezolana de Television
Network in Spanish 1600 GMT 15 Jun 92

[Text] Canadian Prime Minister Brian Mulroney has said that Canadian businessmen and entrepreneurs choose to invest in Venezuela and have been doing so for the past few years. Mulroney made this statement during his brief visit to Venezuela when he met privately with President Carlos Andres Perez. Mulroney and Perez discussed matters related to bilateral relations, such as an increase in economic exchange and the positive impact the Free Trade Treaty will have throughout the hemisphere.

The Canadian prime minister also said that present day democracies must confront very complex social and economic problems and there are no easy solutions to these problems. Mulroney stressed that President Perez has earned the respect of world leaders because of his great political and economic vision and because of the way he has defended Venezuela's democracy and the democracy of sister nations.

[Begin Mulroney recording] To be a national leader these days, you must have vision and [word indistinct]. Because of his progressive economic policies, President Perez has earned the respect of other national leaders. [end recording]

* Studies Reveal People's Views on Army

92SM0423A Caracas EL DIARIO DE CARACAS
in Spanish 11 May 92 p 31

[Article by Elba Romero Lopez]

[Text] "The events of 4 February, among many other things that they brought about, served to demonstrate the strengths, weaknesses, and potential of the Army as an institution."

In a group dynamics exercise conducted during the Fifth Seminar for Military Correspondents, held this week at the Army War College, it was concluded that the public's image of the Army emerged strengthened, especially with regard to leadership.

Despite the general rejection of an authoritarian regime as a solution for the country's problems, the population—basically the middle and lower classes—regards the commanders of the Bolivarian Revolutionary Movement 200 as leaders whose acts filled a vacuum that existed at the time.

The group dynamics exercise, under the direction of Army Lieutenant Colonel Alberto Ray, focused on an analysis of the Army's image after 4-F [the coup attempt of 4 February 1992]. Using as a basis the public's view of that branch of the National Armed Forces [FAN], the exercise participants determined the Army's strengths, weaknesses, potential, and future dangers.

It is worth pointing out that similar group dynamics exercises were conducted during the readaptation seminars prescribed for the officers who were suspended following the judicial investigation of their presumed participation in the attempted coup.

The purpose of those seminars was to discover the motives that caused the officers to take part in the coup attempt, their complaints, and needs, in order to try to correct, to the extent possible, the problems in the relationship—which was defective, according to the results of the exercises—that had existed between the various levels of the Army, especially between the leadership and the middle and lower ranks.

The officers' complaints centered primarily on the lack of communication with their superiors, and they demanded better use of their free time, in order to be able to devote more time to family life and to leisure, freeing them from constant tension. That complaint arose because, too often, Army units are employed in civic campaigns that usually take place on weekends.

These include vaccination campaigns, administration of the Academic Aptitude Test, fumigation, elections, and other activities that should be performed by other, nonmilitary organizations.

Positive Image

In the group dynamics exercise at the Fifth Seminar for Military Correspondents, in which journalists, university students, and Army officers participated, the results were the following:

Strengths

There was agreement among the five groups that were formed that there was a clear demonstration of leadership in the Army, as shown by the performance of commanders of the insurgents (Chavez Frias, Arias Cardenas, etc.).

At the same time, the exercise participants observed the loyalty of the Army, in particular—and the FAN in general—to the democratic system, group cohesion, and organization.

Faithfulness to ideals was emphasized, as shown in parallel fashion by both rebels and loyalists, as was the existence of human qualities capable of confronting any eventuality. It was thought that following these events, the Army as an institution regained the credibility of the people, and it is also seen as a symbol of the defense of the national interests and sovereignty against domestic and foreign enemies.

Finally, the Army is widely viewed as the pillar of the democratic system.

Weaknesses

The conclusion reached is that 4-F was the result of a lack of communication, internally (between the high

command and the middle and lower levels), as well as in society in general. The lack of information is also involved.

Similarly, it was thought that Army personnel are overworked. There was criticism of what was described as "rigid or vertical thinking." Ideological divisions were observed, in addition to too much political influence and excessive psychological pressure that would affect decisions (an estimated 80 percent of Army personnel live under stress).

Other weaknesses: Acquisition of defective weapons, which is related to repressive capability, excessive differences between command and middle levels, and problems of organization. Deficient promotion and retirement policies.

Potential

Creation of a national conscience among the middle and lower classes. Improvement in communication. Discipline. The Army is seen as a bulwark of nationalism, as an organization for protection, defense, and strengthening of the democratic system. Permanent communication with the community. Improvement of the intelligence services, whose effectiveness was placed in doubt following the events of 4-F. Class between the academic ideal and reality, and the Army's capability to operate.

Future Dangers

The greatest fear of the community in this area is the eventuality of a new coup. There are also doubts as to whether the Army will continue to support the democratic system. It is believed that the impossibility of expressing real thoughts limits necessary self criticism; that there is a dangerous ideological penetration by and dependence on the United States, and that there is the belief among the people that, in an eventual seizure of power, dictatorial rule would become permanent.

Another consideration that causes concern is that the Armed Forces may change their position with regard to democracy, that the organization might suffer divisions due to a lack of shared standards, which would come about because of a lack of discussion of internal problems.

Finally, it is feared that the missing weapons may be in the hands of extreme leftist groups and that groups interested in destabilizing the system might take advantage of that situation.